Planting of 2019 winter wheat started on time in September under mostly favourable weather conditions

Planting of the 2019 winter wheat crop started on time in mid-September and finalized at the end of October. Overall, weather conditions and precipitation levels have been adequate since early September in most main producing areas, benefitting crop germination and development. However, there are concerns over parts of southern and southeastern provinces of Fujian, Hunan, Jiangxi and Zhejiang that registered reduced rainfall levels since the beginning of the season, which have hampered planting activities.

Cereal output in 2018 forecast near five-year average

The 2018 cropping season is near completion and the aggregate cereal production is forecast at 560.5 million tonnes, slightly below the five-year average level.

Harvesting of the 2018 paddy crop is underway and is expected to be finalized in November. The 2018 paddy output is forecast at a near-average level of 206.3 million tonnes, slightly below last year’s record level, due to a decline in plantings in response to lower minimum Government procurement prices and governmental efforts to replace paddy cultivation with more profitable crops.

Harvesting of the 2018 maize crop finalized in October and total output is estimated at an average level of 216.5 million tonnes. Higher average yields contained a slight reduction in plantings and some crop losses caused by drought conditions in northeastern provinces of Liaoning and Jilin.

The harvest of the 2018 wheat crop finalized in August and
production is estimated at an near-average level of 128 million tonnes.

**Cereal import requirements in 2018/19 forecast to decrease below five-year average**

Total cereal import requirements in the 2018/19 marketing year are forecast at 25.4 million tonnes, 6 percent below the five-year average.

Rice import requirements are forecast at a below-average level of 5.2 million tonnes, reflecting ample domestic availabilities and more competitive domestic quotations. By contrast, maize import requirements are forecast well above the five-year average, at 4 million tonnes, responding to reduced inventories and the growing demand for industrial and feed use. Similarly, wheat import requirements are forecast above the five-year average, at 4 million tonnes, driven by stronger demand for high-quality wheat.

**Outbreaks of African swine fever in localized areas under control**

According to official reports, outbreaks of the highly contagious and lethal viral African swine fever have been registered since August this year in the Liaoning, Henan, Jiangsu, Anhui and Zhenjiang provinces. As of 17 October, about 50 000 pigs had been culled and local authorities have rolled out emergency response actions that successfully controlled the spread of the disease.

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Wheat area in 2018 estimated close to last year's average level

Sowing of the 2018 winter wheat crop, which accounts for about 95 percent of the total wheat production, was completed in October and harvest is expected to start in May. During sowing, weather conditions have been generally favourable in the main producing areas located in the eastern and central parts of the country, allowing timely land preparation and planting. However, some areas of the important wheat producing provinces of Anhui, Henan, Hubei and Jiangsu, located in the eastern parts of the country, experienced slightly below-average rains since the start of the season. Overall, as of late December 2017, local reports indicated that wheat crop conditions and soil moisture were generally near normal over most of the country. The total area planted to wheat in 2018 is estimated to remain close to last year’s average level, reflecting the still attractive margins earned by wheat producers despite a 2.5 percent reduction in the minimum state purchase price for the 2018 wheat crop.

Above-average cereal production in 2017

The 2017 aggregate cereal production is estimated at 564.3 million tonnes, close to the previous year’s above-average level.

Disaggregated by crops, maize output in 2017 is officially estimated at 215.9 million tonnes, showing a slight decrease for the second consecutive year, but it still remained close to the average levels. Recent decreases in maize output are mainly driven by area the contractions as farmers prefer to plant more profitable crops, in particular soybeans, in response to the Government’s decision to lower the maize procurement price. The 2017 rice output is officially estimated at 208.6 million tonnes, 1.5 million tonnes above last year’s good level and close to the 2015 record. Similarly, wheat production in 2017 is estimated at a near-record level of 129.8 million tonnes, mostly reflecting record yields supported by favourable weather conditions.
Cereal imports in 2017/18 forecast close to five-year average

Total cereal imports in the 2017/18 marketing year are currently forecast at 24.1 million tonnes, a third decline since the record level reached in 2014/15, but remain close to the five-year average. Imports of wheat are forecast at 3.5 million tonnes, a decline of almost 20 percent from last year’s high level, due to high stock quantities obtained from successive bumper harvests. Imports for feed cereals are forecast to return to average, after the exceptional high levels between 2014/15 and 2015/16, due to expectations of the much larger use of domestic maize for feed and industrial processing in view of the Government’s plan to cut domestic inventories. Rice imports are expected to remain close to the five-year average level at 5.8 million tonnes, given persistently more profitable prices in other major origins in Asia compared with local quotations.

Prices of rice and wheat stable in recent months

Retail prices of Japonica rice and wheat flour, the major food crops, were generally stable in the previous months reflecting abundant market supplies from the bumper outputs in 2017.

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Winter wheat conditions in 2017 mostly favourable with exception of southwest region

Planting of the winter wheat crop was completed in October 2016 and the harvest is expected to start from May 2017. This crop accounts for about 95 percent of the total wheat production. Winter wheat is currently at re-greening to jointing stage in the major producing regions. Crop conditions are favourable in major producing areas of Northern China due to proper agro-climatic conditions, while excessive rains and low radiation have negatively affected crops in Southwest China.

Aggregate cereal production in 2017 is tentatively set at 563.5 million tonnes, slightly below last-year level. Maize production is expected to decline as a consequence of the policy reform of supply structure in 2017. Under the new supply structural reform, the Government’s support to rice and wheat production will continue in 2017. On 18 February, the Government announced the minimum purchase prices for rice in 2017 as follows: for early Indica rice at CNY 2,600 (USD 378), medium and late Indica at CNY 2,720 (USD 396) and Japonica rice at CNY 3,000 (USD 437). The minimum purchase price for winter wheat was set at CHY 2,360 (USD 344), announced on 21 October 2016.

Cereal production in 2016 estimated to decrease marginally

The 2016 aggregate cereal production is estimated at about 566 million tonnes, down 2 percent compared to 2015. The latest official estimate for the 2016 paddy output, harvested by last November, points at 206.9 million tonnes, slightly below the previous year’s record level. The small contraction mirrors reduced yields, following unfavourable weather conditions during the growing season. Similarly, the 2016 wheat production is estimated at 128.6 million tonnes, 1.6 million tonnes below the

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<tr>
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<td>566,014</td>
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Note: percentage change calculated from unrounded data. Source: FAO/GEWS Country Cereal Balance Sheets.
previous year’s level. Despite the impact on production by the Government’s decision to end maize procurement at high minimum support prices, the 2016 maize output is set at 219.6 million tonnes, some 5 million tonnes below the previous year’s record, but still higher than the five-year average.

Cereal imports in 2016/17 forecast sharply down from 2015/16 record level

Total cereal imports in the 2016/17 marketing year (July/June) are currently foreseen to fall by 32 percent to 21.3 million tonnes compared to the exceptionally high level of the previous year. The bulk of the decline is on account of falling purchases of barley and sorghum from the international market due to expectations of the much larger use of domestic maize for feed in view of the Government’s plan to cut its inventories. Consequently, imports of barley and sorghum, the main grains used for feed, are forecast to fall by 43 percent to 4.6 million tonnes and 46 percent to 4.5 million tonnes, respectively, in the 2016/17 marketing year. Similarly, imports of maize are currently foreseen to decrease by almost 68 percent to 1 million tonnes. Strong domestic demand for premium quality wheat is seen to keep wheat imports high at 3.7 million tonnes during the 2016/17 marketing year (June/May). Rice imports in calendar year 2017 are forecast at over 6 million tonnes, similar to last year’s high level, as a result of the Government’s efforts to limit informal inflows of rice across borders.

Prices of rice and wheat stable in recent months

Retail prices of Japonica rice and wheat flour, major food crops, were generally stable with a slight increase only in recent months, reflecting adequate availabilities and seasonality. Overall, quotations were about 5 percent above their year-earlier levels. Wholesale prices of maize, the major feed crop, were lower (6.7 percent) compared with the same period of the previous year as a result of the change of the Government’s maize production policy. The data shows that the price of pork in March was about 7 percent lower and the price of cabbage was about 46 percent lower compared to a year earlier. These will be beneficial to the food consumption of the poor and low income families.

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Winter wheat plantings in 2017 increased slightly compared to last year’s level

Planting of the winter wheat crop, for harvest from May 2017, concluded in October. This crop accounts for about 95 percent of the total wheat production. Weather conditions in September and October were favourable in the main producing areas, including the North China Plain and Yangtze Valley, facilitating planting activities. According to official estimates, 22.8 million hectares were sown to winter wheat, slightly above last year’s high level, mainly as a response to the continued strong production incentives from the State’s minimum purchases price programme. However, excessive rains in November raise concerns for the dormant wheat crop in parts of central and southern main growing areas, including the provinces of Jiangsu, Anhui and Henan, which together account for almost half of national wheat output. Nonetheless, prospects remain positive at this stage, as the season has just begun and will very much depend on weather conditions in the coming months.

Cereal production in 2016 forecast to decrease marginally

The 2016 aggregate cereal production is estimated at 560.8 million tonnes, down 2 percent year-on-year. The latest official forecast for the 2016 paddy output, harvested by November, has been revised downwards to 206.9 million tonnes, slightly below last year’s record level. The contraction mirrors reduced yields, following heavy seasonal rains, coupled with storms, as well as low sunshine conditions (for more information please see Rice Market Monitor). Similarly, excessive rains and consequent pest outbreaks negatively affected the winter wheat crop just before its harvest in localized central areas of the eastern provinces of the country. As a result, official forecasts put the 2016 wheat production at 128.6 million tonnes, 1.6 million tonnes below last year’s level. Regarding the 2016 maize crop production, the Government’s decision to end maize procurement...
at high minimum support prices this year prompted farmers to shift land from maize to more profitable crops, including soybean, rice and peanuts. As a result, the 2016 maize output is set to decrease by 2 percent or 9.6 million tonnes, to 215 million tonnes.

**Cereal imports in 2016/17 forecast sharply down from 2015/16 record level**

Total cereal imports in the 2016/17 marketing year are currently foreseen to fall by 26 percent to 21.9 million tonnes compared to the exceptionally high level of the previous year, mostly as a result of the good 2015 harvests and large inventories. The bulk of the decline is on account of falling purchases of barley and sorghum from the international market due to expectations of the much larger use of domestic maize for feed in view of the Government’s plan to cut its inventories. Consequently, imports of barley and sorghum, which are two of the main grains used for feed, are forecast to fall by 43 percent to 4.6 million tonnes and 40 percent to 5 million tonnes, respectively, in the 2016/17 marketing year. Similarly, imports of maize are currently foreseen to decrease by almost 40 percent to 2 million tonnes. Strong domestic demand for premium quality wheat is seen to keep wheat imports high at 3.7 million tonnes during the 2016/17 marketing year (June/May). Rice imports in calendar year 2016 are forecast at 5.9 million tonnes, 11 percent below last year’s high level, as a result of the Government’s efforts to limit informal inflows of rice across borders.

**Prices of rice and wheat stable in recent month**

Retail prices of Japonica rice and wheat flour were stable in recent month, reflecting adequate availabilities from the 2016 good production. Overall, quotations were around their year-earlier levels.
GIEWS Country Brief
China (Mainland)

Reference Date: 25-August-2016

FOOD SECURITY SNAPSHOT
- Floods have negatively affected localized areas of central and southern parts, but overall impact on 2016 cereal crops expected to be limited
- Cereal production in 2016 forecast to decrease marginally
- Cereal imports in 2016/17 forecast sharply down from 2015/16 record level
- Prices of rice and wheat were stable in July

Cereal production in 2016 forecast to decrease marginally

Heavy seasonal rains, coupled with storms and typhoons since mid-June, triggered severe localized flooding in central and southern parts of the country, causing severe damage to housing, infrastructure and the agricultural sector. According to official data, in July, at least 612 people lost their lives, 1.87 million houses were damaged or destroyed (the highest number since 2011) and 7.3 million hectares of farmland negatively affected. At the time of the floods, harvesting of the 2016 winter wheat crop, which accounts for 95 percent of the annual production, was nearing completion in the central and eastern parts of the country, while the spring wheat, normally grown in the northern areas, was being planted. Excessive rains and consequent pest outbreaks negatively affected the ready-to-be harvested winter wheat crop in localized central areas of the eastern provinces of the country and may have reduced the yield potential of the early-planted spring crop. As a result, the China National Grains and Oils Information Centre (CNGOIC) forecasts the 2016 wheat production at 128.6 million tonnes, 1.6 million tonnes below last year’s level but still the second best on record. As to the 2016 paddy crop, it is still officially expected to reach record levels of 209.1 million tonnes, as flood-induced losses are expected to be more than offset by an increased output in non-flood affected areas, namely the northeastern provinces. The 2016 maize output is forecast by CNGOIC at 219 million tonnes, 2 percent or 6 million tonnes below the 2015 level. This anticipated reduction is attributed to area cuts, as farmers shift land from maize to more profitable crop, including soybean, rice and peanuts, following the Government decision to end maize procurement at high minimum support prices this year.
Cereal imports in 2016/17 forecast sharply down from 2015/16 record level

Total cereal imports in the 2016/17 marketing year are currently foreseen to fall by 35 percent to 20.5 million tonnes compared to the exceptionally high level of the previous year, mostly as a result of the bumper 2015 harvests and large stocks. The bulk of the decrease mainly reflects anticipated reduced imports for feed cereals. Barley and sorghum imports in the 2016/17 marketing year are forecast to fall by 50 percent and 41 percent, to 4 million tonnes and 5 million tonnes, respectively. Similarly, imports of maize are currently foreseen to decrease by more than half to 2 million tonnes. Strong domestic demand for premium quality wheat is seen to keep wheat imports high at 3 million tonnes during the 2016/17 marketing year (June/May). Rice imports in calendar year 2016 are anticipated to decrease by 5 percent to 6.3 million tonnes, as a result of Government efforts to limit informal inflows.

Prices of rice and wheat were stable in July

Retail prices of Japonica rice and wheat flour were stable in July, reflecting adequate availabilities from the 2015 record production. Overall, quotations were around their year-earlier levels.
Prospects for 2016 winter wheat crop are favourable

The 2016 winter wheat crop, which accounts for about 95 percent of China’s total wheat production, is currently in the early development stage and harvesting will start in late May. Beneficial precipitation since November, coupled with seasonably cool weather, aided vegetative development of the crops over large parts of the country, including in the main producing areas of Yangtze River Valley and North China Plain. The China National Grain and Oils Information Centre estimates the area planted to winter wheat for harvest in 2016 at 22.8 million hectares, unchanged from last year’s record level, largely reflecting strong Government incentives for wheat production. Current expectations point to an aggregate wheat output (winter and spring crops) close to the 2015 record level of 130 million tonnes.

Cereal output in 2015 at an all-time high

The 2015 aggregate cereal production is officially estimated at a record level of 572.9 million tonnes. Most of the increase came from a significant growth in maize output, although production of the other major cereals, wheat and rice, also rose. Maize output is estimated to have reached a record of 224.6 million tonnes, 9 million tonnes (or 4 percent) up on the previous year, following large plantings and yields. Similarly, area and yield gains resulted in a 3 percent increase in the 2015 wheat output to 130.2 million tonnes. The 2015 rice harvest was estimated at 208.2 million tonnes, 0.8 percent above the previous year’s record.

Cereal imports in 2015/16 marketing year forecast to remain high but lower than in 2014/15

Total cereal imports in the 2015/16 marketing year are currently foreseen to fall by 9 percent to 28 million tonnes compared to the exceptionally high level of the previous year, mostly as a result of the bumper 2015 harvests and large stocks. The bulk of the decrease is attributed to an anticipated reduction in maize and sorghum imports, which are forecast to fall by 46 percent and 31 percent, to 3 million tonnes and 7 million tonnes, respectively. By contrast, imports of barley are expected to continue to expand to a record of 8.5 million tonnes. Strong domestic demand for premium quality wheat is seen to double imports of wheat to 3 million tonnes during the 2015/16 marketing year (June/May). Rice imports in calendar year 2016 are anticipated to decrease by 6 percent to 5.8 million tonnes, as a result of Government efforts to limit informal inflows.

Prices of rice and wheat were stable in February

Retail prices of Japonica rice and wheat flour were stable in February, reflecting adequate availabilities from the 2015 record production. Overall, quotations were around their year-earlier levels.
HIGHLIGHTS

- Winter wheat area, for harvest in 2016, unchanged from last year’s record level
- Cereal output in 2015 was record level
- Aggregate cereal imports in 2015/16 forecast to decrease from last year’s all-time high
- Prices of rice and wheat increase slightly in January

Winter wheat area, for harvest in 2016, unchanged from last year’s record level

Sowing of the 2016 winter wheat crop, which accounts for about 95 percent of the total wheat production, was completed last October under overall favourable weather conditions. Beneficial precipitation since November, coupled with seasonably cool weather aided vegetative development of the crops over large parts of the country, including in main producing areas of Yangtze River Valley and North China Plain. However, some concerns over localized crop damage exist in eastern and southern producing areas, due to unseasonal abundant rains, as well as in the parts of Lower and Middle Yangtze following historically cold temperatures in early February. The China National Grain and Oils Information Centre estimates the area planted to winter wheat for harvest in 2016 at 22.8 million hectares, unchanged from last year’s record level, largely reflecting strong Government incentives for wheat production. Current expectations point to an aggregate wheat output (winter and spring crops) close to the 2015 record level of 130 million tonnes. This forecast assumes favourable weather from late February, when winter wheat is expected to break dormancy and resume growth.

Cereal output in 2015 was record level

The 2015 aggregate cereal production is officially estimated at a record level of 572.9 million tonnes. Most of the increase came from a significant growth in maize output, although production of the other major cereals, wheat and rice, also rose. Maize output is estimated to have risen to a record level of 224.6 million tonnes, 9 million tonnes (or 4 percent) up on the previous year’s level, following larger plantings and increased yields. Similarly, area and yield gains resulted in a 3 percent increase in the 2015 wheat output to 130.2 million tonnes. The 2015 rice harvest also reached a new record level, estimated at 208.2 million tonnes, 0.8 percent above the previous year’s record level.

Cereal imports in 2015/16 marketing year forecast to remain high but lower than in 2014/15

Total cereal imports in the 2015/16 marketing year are currently foreseen to fall by 6 percent to 29 million tonnes compared with the exceptionally high level of last year mostly as a result of record 2015 harvests and large stocks. The bulk of the decrease is attributed to an anticipated reduction in maize and sorghum imports, which are both forecast to fall by around 30 percent, to 4 million tonnes and 7 million tonnes, respectively. By contrast, imports of barley are expected to continue to expand to a record of 8.5 million tonnes. Strong domestic demand for premium quality wheat is seen to double imports of wheat to 3 million tonnes during the 2015/16 marketing year (June/May). Rice imports in
calendar year 2016 are anticipated to decrease by 6 percent to 5.8 million tonnes, as a result of Government efforts to limit informal imports.

**Prices of rice and wheat increased slightly**
Retail prices of Japonica rice and wheat flour increased only slightly in January, mainly reflecting sustained domestic demand, but were still around their year-earlier levels.
Ref: Date: 17-April-2015

**Food Security Snapshot**

- Wheat production in 2015 is forecast to remain around last year’s record level.
- Aggregate cereal imports in 2014/15 forecast to reach an all-time high.
- Prices of rice and wheat remain stable.

**Wheat production in 2015 is forecast to remain around last year’s record level.**

The 2015 winter wheat crop, which accounts for about 95 percent of the total wheat production, is currently in the final stages of development, with harvesting operations to start from mid-May. Following below-average precipitation in southern parts of Yangtze Valley in the first part of the season, rains improved across most of the country since mid-March, benefitting crop development after it came out of dormancy in mid-February. The vegetation response captured by the Normalized Difference Vegetation Index (NDVI), as of the first dekad of April, shows overall good growing conditions of winter wheat over most of the country. Nationally, the total area planted to wheat is officially estimated at 24.2 million tonnes, up 1 percent from last year’s high level. Considering the small expansion in area planted and assuming favourable weather in the remaining of the growing season, FAO’s preliminary forecasts the 2015 wheat output to expand marginally to a record level of 126.5 million tonnes.

Planting of the 2015 minor early rice crop, which is normally grown in the southern parts of the country and accounts for about 16 percent of the total rice production, is nearing completion. Rainfall across southern China has been above average since the start of the season in March, benefitting planting operations and early crop development. As a result, FAO projects this season’s rice output at 34.1 million tonnes, close to last year’s record level. Assuming a normal upcoming monsoon season and considering a small increase in plantings, the aggregate 2015 rice production is forecast by FAO at 207 million tonnes, marginally above last year’s record level.

Planting of the 2015 maize crop started in the south and will be concluded by July in the north. FAO’s preliminarily forecasts set the 2015 aggregate maize production at 217 million tonnes, slightly above last year’s record output. The expected increase is mainly attributed to a 2 percent expansion in the area planted, in response to rising demand for feed grains.

**Cereal imports in 2014/15 marketing year forecast to reach an all-time high.**

Total cereal imports in the 2014/15 marketing year are forecast to reach an all-time high of 23 million tonnes, some 12 percent above the estimated imports in 2013/14. The increase is mainly attributed to considerably higher barley and sorghum imports, which are projected at a record level of 7 and 8 million tonnes in 2014/15 marketing year, almost double the level of the previous year. With higher demand from the feed industries, private buyers are increasingly importing sorghum and barley as complement to maize. Unlike maize, sorghum and barley are not...
subject to the annual Tariff Rate Quota (TRQ) restrictions and import prices of these crops are considerably lower than the price of locally-produced maize. Maize imports are also projected to increase considerably to 4 million tonnes. By contrast, total wheat imports are set to decrease by 5.5 million tonnes for the 2014/15 marketing year (July/June), as a result to last year’s bumper harvest and large carryover stocks.

Rice imports during 2015 are forecast to remain similar to last year’s above-average level of 2.7 million tonnes.

**Prices of rice and wheat remain stable**

Retail prices of Japonica rice and wheat flour remained generally stable in March, despite good supplies from the 2014 bumper harvests. Prices were mainly supported by the high level of the Minimum Support Prices (MSP) and strong domestic demand.
FOOD SECURITY SNAPSHOT

- 2014/15 winter wheat plantings estimated to remain close to last year’s level
- Record 2014 aggregate cereal harvest estimated
- Aggregate cereal imports in 2014/15 forecast to decrease from last year’s record level
- Prices of rice and wheat remain stable

2014/15 winter wheat plantings estimated to remain close to last year’s level

Planting of the 2014/15 winter wheat crop, which accounts for about 95 percent of total wheat production, was completed in October. During sowing, generally favourable weather conditions facilitated planting activities. Above-average rains and mild weather in October and November over the main wheat-growing areas, including Yangtze Valley and much of the North China Plain, benefited vegetative growth of the winter wheat. Nationally, the area planted to wheat is estimated to remain close to last year’s level of 24.1 million hectares, largely seen as a response to unchanged Minimum Support Price for the 2015 wheat crop compared with 2014. The National Development and Reform Commission (NDRC) set the minimum purchase price at CNY 2,360 per tonne (USD 385 per tonne), based on the production cost of farmers, as well as the international markets prices.

Record 2014 aggregate cereal harvest estimated

The 2014 aggregate cereal production is estimated at 555.9 million tonnes, similar to the previous year’s record crop. Generally favourable weather conditions across much of the country during the growing period is the main factor contributing to the record production this year. The 2014 wheat production, harvested by mid-August, is estimated by CGNOC at a record level of 126.2 million tonnes, up 3 percent from last year’s bumper level. This is mainly the result of higher yields, following favourable weather conditions and adequate supplies of irrigation water. The 2014 maize crop, harvested in June until mid-October 2014, has been set at 215.7 million tonnes, slightly below last year’s record high, as yields are estimated to have returned to average level. The 2014 rice harvest is officially estimated at a record level of 205 million tonnes, 1 percent up from last year’s bumper harvest. The anticipated increase in production is mainly attributed to a small expansion in area planted, prompted by higher Minimum Purchase Prices and other Government support measures, including direct payments to farmers and subsidies to seed and machinery as well as other agricultural inputs. The excessive rains in mid-May across southern parts of China, which led to localized damage to the early double rice crop, as well as dry conditions between June and July in parts of the main growing Yangtze River Valley, had overall a limited impact on rice production.

Cereal imports in 2014/15 marketing year forecast to decrease from last year’s record level

Total cereal imports in the 2014/15 marketing year are forecast to decrease from last year’s record level and reach 17.5 million tonnes, some 14 percent below the estimated imports in 2013/14. The decrease
is mainly attributed to lower wheat imports, which are projected at 3 million tonnes, less than half the record level of the previous year, given this year’s record harvest and large carryover stocks. Similarly, maize imports are expected to decrease by 9 percent to 3 million tonnes.

For rice, imports in 2014 are forecast to remain similar to last year’s below-average level of 2.4 million tonnes.

**Prices of rice and wheat remain stable**

Retail prices of Japonica rice and wheat flour remained stable in November despite good supplies from the ongoing 2014 main harvest and adequate imports in the past months. Prices continued to be underpinned by high Minimum Support Prices and the recent reinforcement on import controls. The latest official data indicate that the year-on-year consumer price index increased by 1.4 percent in November 2014.
Reference Date: 25-September-2014

**FOOD SECURITY SNAPSHOT**
- The 2014 aggregate cereal harvest anticipated at a record level
- Aggregate cereal imports in 2014/15 forecast to decrease from last year’s record level
- Prices of rice and wheat remain stable

**The 2014 aggregate cereal harvest is forecast at a record level**

Harvesting of the 2014 early double rice crop was completed at the end of July, while that of single and late double crops will be concluded by November. On average, output of the single rice crop normally amounts to about 66 percent of the national rice production, with the remaining two harvests (early and late double) representing 17 percent, respectively. Latest forecasts from the China National Grain and Oils Information Centre (CNGOIC) put this year’s aggregate rice harvest at a record level of 205 million tonnes, marginally above last year’s good level. The anticipated increase in production is mainly attributed to a small expansion in area planted, prompted by higher Minimum Purchase Prices (MSP) and other Government support measures, including direct payments to farmers and subsidies to seed and machinery as well as other agricultural inputs. The excessive rains in mid-May across southern parts of China, which led to localized damage to the early double rice crop, as well as dry conditions between June and July in parts of the main growing Yangtze River Valley, had overall a limited impact on rice production.

Harvesting of the 2014 maize crop was completed in late August in the south and is currently in full swing in northern areas of the country. FAO’s latest forecast points to a maize crop of 220 million tonnes, slightly above last year’s record output. The expected increase mainly reflects a small expansion in plantings, in response to rising demand for feed grains.

The 2014 wheat production, harvested by mid-August, is estimated by CNGOIC at a record level of 125.3 million tonnes, up 3 percent from last year’s bumper level. This is mainly the result of higher yields, following favourable weather conditions and adequate supplies of irrigation water.

**Cereal imports in the 2014/15 marketing year forecast to decrease from last year’s record level**

Total cereal imports in the 2014/15 marketing year are forecast to decrease from last year’s record level and reach 16.5 million tonnes, some 17 percent below the estimated imports in 2013/14. Maize and wheat import requirements are forecast to fall by 25 percent to 3 million tonnes and 40 percent to 4 million tonnes from last year’s level, respectively, given the anticipated good harvest and large carryover stocks. For rice, imports in 2014 are forecast to remain similar to last year’s below-average level of 2.4 million tonnes.

**Prices of rice and wheat remain stable**

Retail prices of Japonica rice and wheat flour were stable in August, following good supplies from the 2014 harvests and increased import volumes in the past months. Overall, prices were slightly above their
levels a year earlier, consistent with the year-on-year general inflation rate. The latest official data indicate that the year-on-year consumer price index increased by 2 percent in August 2014.
FOOD SECURITY SNAPSHOT
- The 2014 wheat production is estimated at record levels
- Favourable prospects for the 2014 rice and maize crops
- Aggregate cereal imports in 2013/14 to reach a record level
- Prices of rice and wheat remain stable

The 2014 wheat production is estimated at record levels
Harvesting of the 2014 winter wheat, accounting for about 95 percent of annual wheat production, is nearing completion, while that of small amounts of spring wheat will be concluded by mid-August. Latest estimates from China National Grain and Oils Information Centre put this year's wheat production at a record level of 122.6 million tonnes, marginally above last year's bumper level. This is mainly the result of a slight expansion in plantings, prompted by higher Minimum Purchase Prices (MSP) and other Government support measure, including direct payments to farmers, seed and machinery subsidies and other agricultural inputs.

Planting of the 2014 early double and single rice crops is completed, while that of double crop will be concluded by the end of August. Output of the single rice crop normally amounts to about 66 percent of the national rice production, with the remaining two harvests (early and late double) representing 17 percent each. Overall, the rainfall situation has been favourable between March and April over most of the rice producing areas. However, in May, parts of Yangtze River Valley, which accounts for almost 70 percent of total rice production, experienced below-average rains reducing soil moisture supplies particularly for the single rice crop. However, the availabilities of water for irrigation are reported at good levels; therefore, the impact of the dry spell on the rice production is expected to be minimal. The total area planted to rice this year is officially estimated at 30.8 million hectares, slightly higher than the record level of the previous year. Assuming favourable weather for the reminder of the season and given the continued Government support to the rice sector, the aggregate 2014 rice production is forecast at 207.4 million tonnes, up 2 percent from the 2013 bumper output.

Planting of the 2014 maize crop was completed in late May in the south and is currently in full swing in northern areas of the country. FAO’s latest forecast point to an aggregate maize crop of 219 million tonnes, slightly above last year’s record output. The expected increase is mainly attributed to a slight expansion in the area planted, in response to rising demand for feed grains.

Cereal imports in the 2013/14 marketing year to reach record levels
Total cereal imports are forecast to increase sharply in the 2013/14 marketing year to a level of 22.1 million tonnes, more than twice the estimated imports in 2012/13. A strong demand for high-quality wheat is seen to have boosted wheat purchases to 8.5 million tonnes in 2013/14 marketing year (July/June), up 5.6 million tonnes from the previous year’s level and the highest since the mid-1990s. For maize, despite a record harvest in 2013, imports in 2013/14 (October/September) could reach an
all-time high of 5.5 million tonnes, up 2.8 million tonnes from the previous year, due to sustained continued strong domestic demand.

Prices of rice and wheat remain stable

Retail prices of Japonica rice and wheat flour were stable in May, reflecting adequate supplies from imports in the past months. Favourable prospects for the 2014 harvests also contributed to price stability. Overall, prices were slightly above their levels a year ago, consistent with the year-on-year general inflation rate.

The latest official data indicate that the year-on-year consumer price inflation increased by 2.5 percent in May 2014.
Rains in April after prolonged dry spell improved prospects for the 2014 wheat crop

The 2014 winter wheat crop, which accounts for about 95 percent of total wheat production, is at advanced vegetative to flowering stages and harvesting will start in late May. Generally favourable weather conditions from the start of the season in November to February supported planting and development of the early planted wheat crop. However, below-average rains and higher than normal temperatures between March and early April in parts of the North China Plain, resulted in stressed vegetation conditions in parts of some important growing areas, including Shandong and Hebei. Rains resumed to more normal patterns during the second dekad of April, bringing some relief to dry areas. Supplementary irrigation remains necessary. The final outcome of the season will depend on rainfall performance in the remaining of the growing season. FAO’s latest forecast points to an aggregate 2014 wheat crop (including winter and spring seasons) of about 122 million tonnes, similar to last year’s record output. The projected good outcome is mainly attributed to the Government support, including the direct payments to farmers, the Minimum Purchase Prices (MSP), seed and machinery subsidies and other inputs, that has prompted a slight increase in plantings this season.

Planting of the 2014 early rice crop is currently ongoing in southern areas of the country and will continue until the end of April. The rainfall across southern China has been above average since the start of the season, significantly boosting moisture supplies and benefiting planting activities. Assuming a normal upcoming monsoon season and given the continued Government support to the rice sector, the aggregate 2014 rice production is forecast at 204.5 million tonnes, slightly above last year’s record output.

Planting of the 2014 maize crop started in the south and will be concluded by July in the north. The 2014 aggregate maize production is initially forecast at 218 million tonnes, similar to last year’s record output. The increase is mainly attributed to a projected slight increase in the area planted, in response to rising demand for feed grains.

Cereal imports in the 2013/14 marketing year to reach record levels

Total cereal imports are forecast to increase considerably to 22.1 million tonnes in the 2013/14 marketing year, more than double the estimated imports in 2012/13. A strong demand for high-quality wheat is seen to boost wheat purchases to 8.5 million tonnes in the 2013/14 marketing year (July/June), up 5.6 million tonnes from the previous year’s level and the highest since the mid-1990s. For maize, despite expectations of a record harvest in 2013, its purchases in
2013/14 (October/September) could reach an all-time high of 5.5 million tonnes, up 2.8 million tonnes from the previous year due to continued strong domestic demand.

**Prices of rice and wheat remain generally stable**

Retail prices of Japonica rice and wheat flour remained generally stable in the past few months, despite recent high imports and favourable prospects for the 2014 paddy and wheat crops harvests. Prices continued to be supported by strong domestic demand and high Minimum Support Prices (MSP).

The latest official data indicate that the year-on-year consumer price inflation increased by 2.4 percent in March 2014.
Marginal increase in the 2013/14 winter wheat plantings

Planting of the 2013/14 winter wheat crop, which accounts for about 95 percent of total wheat production, was completed in October. During sowing, generally favourable (dry and warm) weather conditions facilitated timely land preparation and planting in the main wheat growing areas. From mid-November, the remnants of Typhoon Haiyan, brought ample rains across southern China while parts of the North China Plain has been experiencing generally below-average rains over the same period. Nationally the area planted to wheat is preliminary estimated to have increased marginally from 22.76 million hectares, largely seen as a response to consecutive increases of the Minimum Support Price.

Record 2013 cereal harvest estimated

The 2013 aggregate cereal production is estimated at 547.4 million tonnes, marking an increase of 1.4 percent relative to the previous year’s record crop. Generally favourable weather throughout the country during growing period was the main reason for the increase in production. However, a prolonged dry-spell in some central and eastern parts between early July and mid-August and a succession of tropical storms/tropical and heavy rains, which resulted in localized floods from mid-August, particularly in southern and northeastern parts of the country, prevented a potentially larger crop in 2013.

Harvesting of the 2013 main winter wheat crop was completed in June, while that of secondary spring wheat was finalised by mid-August. The total 2013 wheat output is estimated at 122.2 million tonnes, slightly above previous year’s record harvest. The 2013 maize crop, harvested in June until mid-October 2013, also reached a record level at 213 million tonnes, 4 percent over the 2012 bumper harvest. The expected increase is predominantly attributed to an expansion by almost 2 percent in the area planted as well as higher yields, following favourable weather conditions. The 2013 rice harvest, on the hand, is estimated to decrease to 202.8 million tonnes, indicating a 1 percent drop from the record harvest in 2012. This reflects a prolonged dry spell in some central and eastern parts of the country, including Anhui, Zhejiang and Jiangsu.

Cereal imports in 2013/14 marketing year to reach record levels

Total cereal imports are forecast to increase considerably to 19.7 million tonnes in 2013/14 marketing year, about 80 percent higher than in 2012/13. A strong demand for high quality wheat is seen to boost wheat purchases to 7.5 million tonnes in 2013/14 (July/June), up
4.5 million tonnes from previous year’s level and the highest since the mid-1990s. Domestic prices of the commodity in September peaked to near-record levels. For maize, despite expectation of a record harvest in 2013, its purchases in 2013/14 (October/September) could reach an all-time high of 7 million tonnes, up 2.7 million tonnes from the previous year due to continued strong domestic demand resulting in high domestic prices.

Prices of rice remain generally stable, while those of rice reach record levels

Prices of Japonica rice remained stable in January, as the downward pressure from the arrival of the 2013 intermediate late double harvest was offset by the anticipated reduction in production, following precipitation deficits and high temperatures in south central and eastern provinces in August. Higher minimum purchase prices have also supported the nominal prices. Prices of wheat flour, which had remained generally stable between January and December 2013, increased to new record levels in January, despite the release of public stocks due to strong domestic demand ahead of traditional holidays.

The latest official data indicate that the year-on-year consumer price inflation increased by 2.5 percent in December 2013.
Marginal increase in the 2013/14 winter wheat plantings is expected

Planting of the 2013/14 winter wheat crop, which accounts for about 95 percent of total wheat production, was completed in October. During sowing, generally favourable (dry and warm) weather conditions facilitated timely land preparation and planting in the main wheat growing areas. From mid-November, the remnants of Typhoon Haiyan, brought ample rains across southern China while parts of the North China Plain has been experiencing generally below-average rains over the same period. Nationally the area planted to wheat is estimated to increase marginally from last year, at 22.76 million hectares, largely seen as a response to consecutive increases of the Minimum Support Price.

Record 2013 cereal harvest estimated

The 2013 aggregate cereal production is estimated at 547.4 million tonnes, marking an increase of 1.4 percent relative to the previous year’s record crop. Generally favourable weather throughout the country during growing period was the main reason for the increase in production. However, a prolonged dry-spell in some central and eastern parts between early July and mid-August and a succession of tropical storms/typhoons and heavy rains, which resulted in localized floods from mid-August, particularly in southern and northeastern parts of the country, prevented a potentially larger crop this year.

Harvesting of the 2013 main winter wheat crop was completed in June, while that of secondary spring wheat was finalised by mid-August. The total 2013 wheat output is estimated at 122.2 million tonnes, slightly above previous year’s record harvest. The 2013 maize crop, harvested in June until mid-October 2013, also reached a record level at 213 million tonnes, 4 percent over the 2012 bumper harvest. The expected increase is predominantly attributed to an expansion by almost 2 percent in the area planted as well as higher yields, following favourable weather conditions. The 2013 rice harvest, on the hand, is estimated to decrease to 202.8 million tonnes, indicating a 1 percent drop from the record harvest of a year before. This reflects a prolonged dry spell in some central and eastern parts of the country, including Anhui, Zhejiang and Jiangsu.

Cereal imports in 2013/14 marketing year to reach record levels

Total cereal imports are forecast to increase considerably to 19.7 million tonnes in 2013/14 marketing year, about 80 percent higher than in 2012/13. A strong demand for high quality wheat is seen to boost wheat purchases to 7.5 million tonnes in 2013/14 (July/June), up 4.5 million tonnes from last year’s level and the highest since the mid-
1990s. Domestic prices of the commodity in September peaked to near-record levels. For maize, despite expectation of a record harvest this year, its purchases in 2013/14 (October/September) could reach an all-time high of 7 million tonnes, up 2.7 million tonnes from the previous year due to continued strong domestic demand resulting in high domestic prices.

**Prices of rice remain generally stable**

Prices of rice and those of wheat flour have remained generally unchanged since January 2013, mainly reflecting adequate supplies from the 2013 harvest and large imports in the past months. However, currently they are above their levels a year earlier, mainly due to consecutive increases of the Minimum Support Prices.

The latest official data indicate that the year-on-year consumer price inflation increased by 3.2 percent in October 2013.
**FOOD SECURITY SNAPSHOT**

- The 2013 winter wheat production is estimated to increase slightly.
- Record 2012 cereal harvest estimated.
- Cereal imports in 2012/13 marketing year estimated to decrease.
- Rice prices remain generally stable, while those of wheat firm up in March.

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**The 2013 winter wheat production is estimated to increase slightly**

Harvesting of the 2012/13 winter wheat crop, which accounts for about 95 percent of total wheat production, is expected to start from late May and continue into June. Favourable weather conditions at the start of the season, between November and January, over large parts of the country improved soil moisture, and together with seasonably cool weather aided early development of crops. However, significant water deficits developed since mid-February over large parts of the North China Plain, particularly affecting Anhui, Hebei, Henan, northern Jiangsu and Shandong provinces. At national level, however, the impact of the dry spell on the 2013 wheat production is expected to be limited. Latest official projections point to a total wheat crop (including winter and spring seasons) of about 121 million tonnes, similar to the last year’s record harvest. The good outcome is mainly attributed to adequate provision of subsidised high-quality seeds and yield promoting inputs.

**Record 2012 cereal harvest estimated**

The 2012 aggregate cereal production is finalized at 541.8 million tonnes, marking an increase of 4.3 percent relative to the previous year’s another record crop. Generally, favourable weather across much of the country during growing period and continued government input assistance, which supported larger planting and yields, were the main factors contributing to the increased production, despite localized pest infestations of wheat and rice crop, particularly in important cereal producing provinces of Jiangsu, Anhui and southern parts of Henan located in the North China Plain as well as Guangdong, Hubei, Sichuan and Jiangxi provinces.

The aggregate 2012 wheat output is estimated to increase to 120.6 million tonnes, some 3 percent up on 2011, reflecting strong government support to the sector.

The 2012 maize crop, harvested in June until mid October 2012, reached a record level at 208.1 million tonnes, 8 percent over the 2011 record harvest. The expected increase is predominantly attributed to an expansion of almost 4.2 percent in the area planted.

Harvesting of the 2012 rice crop was completed in last November. Reflecting increase in paddy plantings and high yields, the aggregate rice harvest (in paddy terms) is estimated to increase to 204.3 million tonnes, indicating a 1.6 percent increase from the harvest of a year before. However, a surge in pest infestations (plant hopper and blast...
attacks) led to some localised paddy crop losses, particularly impacting important producing areas, including Jiangxi, Sichuan, and Guangdong.

Cereal imports in 2012/13 marketing year estimated to decrease

In response to the higher production levels in 2012, the cereal import requirement in the 2012/13 marketing year (October/September) is forecast at 10.8 million tonnes, about 17 percent lower than in 2011/12 marketing year.

Despite China’s growing demand for feed use, maize imports are expected to fall to 3.5 million tonnes, down 33 percent compared to 2011/12 marketing year. This decrease mainly reflects a halt in purchase after the considerably higher maize prices, due to the drought in USA this year.

Prices of rice remain generally stable, while those of wheat firm up in March

Prices of rice remained generally stable since September 2012, following good harvest in 2012 and large imports in the past few months. By contrast, prices of wheat flour, another important staple, firmed up in March after a steady increase since September 2012.

Wheat prices were supported by strong demand and higher minimum procurement prices. The recent announcement of an increase in retail prices for fuel added to the upward pressure on prices. In an attempt to lower wheat prices, the Government announced in early March the release of 1.3 million tonnes of wheat from state reserves.

The latest official data indicate that the year-on-year consumer price inflation (CPI) decreased to 2.1 percent in March 2013 from 3.2 percent in February 2013.
FOOD SECURITY SNAPSHOT
- Generally favourable weather at the start of the 2012/13 winter cropping season
- Record 2012 cereal harvest estimated
- Cereal imports in 2012/13 marketing year estimated to decrease
- Cereal prices remain generally stable

Generally favourable weather at the start of the 2012/13 winter cropping season
Planting of the 2012/13 winter wheat crop, which accounts for about 95 percent of total wheat production, was completed in October. During sowing, warm and generally dry weather facilitated timely land preparation and planting in the main wheat growing areas. Favourable rainfall between November and mid-December over large parts of the country improved soil moisture, and together with seasonably cool weather aided vegetative development of the crops. However, parts of the North China Plain and the Sichuan Basin experienced generally minor rainfall deficits over the same period. Reportedly, area planted to winter wheat is estimated to increase slightly compared to the last year, largely seen as a response to higher minimum purchase prices set by the government. Adequate provision of subsidised high-quality seeds and yield promoting inputs are expected to assist crop productivity.

Record 2012 cereal harvest estimated
The 2012 aggregate cereal production is estimated at 542.5 million tonnes, marking an increase of 4.4 percent relative to the last year’s another record crop. Generally, favourable weather across much of the country during growing period and continued governmental input assistance, which supported larger planting and yields, are the main factors contributing to the increased production. However, pest infestations led to some localised wheat and rice crop losses, particularly impacting important cereal producing provinces of Jiangsu, Anhui and southern parts of Henan located in the North China Plain as well as Guangdong, Hubei, Sichuan and Jiangxi provinces.

Harvesting of the 2012 main winter wheat crop was completed in June, while that of secondary spring wheat was finalised by mid-August. In aggregate, 2012 wheat output is estimated to increase slightly compared to the last year, reflecting strong government support to the sector.

The 2012 maize crop, harvested in June until mid October, reached a record level at 208.1 million tonnes, 8 percent over the 2011 record harvest. The expected increase is predominantly attributed to an expansion of almost 4.2 percent in the area planted.

Harvesting of the 2012 rice crop was complete in November. Reflecting increase in paddy plantings and high yields, the aggregate rice harvest (in paddy terms) is estimated to increase to 205 million tonnes, indicating a 2 percent increase from the harvest of a year before. However, a surge in pest infestations (plant hopper and blast attacks) led to some localised paddy crop losses, particularly impacting...
important producing areas, including Jiangxi, Sichuan, and Guangdong.

Cereal imports in 2012/13 marketing year estimated to decrease

In response to the higher production levels in 2012, the cereal import requirements in the 2012/13 marketing year (October/September) is estimated at 8 million tonnes, about 37 percent lower than last year.

Despite China’s growing demand for feed use, maize imports are expected to fall to 2 million tonnes, down 61 percent compared to 2011/12 marketing year. This decrease mainly reflects a halt in purchase after the considerably higher maize prices, due to the drought in USA this year.

Prices of rice and wheat remain generally stable

Prices of rice, which had increased steadily over the past months, stabilized since September 2012. The downward pressure on prices from the arrival of the 2012 "late double" rice crop into the markets was offset by large-scale Government procurement from domestic markets. Prices of wheat flour, another important staple, remained virtually unchanged and similar to their levels a year earlier, following adequate supplies from the record 2012 harvest and high imports in the current marketing year (July/June).

Overall, recent declines in non-cereal food prices have contributed to a reduced inflation. The Government has implemented a series of policy measures in efforts to stabilize most of the domestic cereal prices and markets.

The latest official data indicate that the year-on-year consumer price inflation (CPI) decreased to 1.7 percent in November 2012 from 1.9 percent in September 2012.
FOOD SECURITY SNAPSHOT
- Estimates of the 2012 winter wheat crop revised slightly downwards
- Record 2012 cereal harvest projected
- Cereal prices remain generally stable

The 2012 winter wheat crop yields revised down due to damage caused by fungus diseases

Harvesting of the 2012 winter wheat crop, which accounts for about 94 percent of total wheat production, was completed in June.

Recent production estimates, indicate a downward revision of the 2012 winter wheat production to 111.7 million tonnes from the 114 million tonnes reported in May. This reflects lower yields than early anticipated following wet weather during the season that encouraged white ear and wheat scab diseases, particularly impacting major wheat producing provinces of Jiangsu, Anhui and southern parts of Henan located on the North China Plain as well as Sichuan and Jiangxi provinces. At the revised level, winter wheat output is only marginally higher than the previous year's record harvest of the same season. The 2012 spring wheat crop, sown from March to April and currently ready to be harvested, is projected at 6.3 million tonnes, about 12 percent below the 2011 output of the corresponding season.

In aggregate, 2012 wheat output is expected to remain virtually unchanged from last year's level, with lower yields offsetting a slight increase in plantings.

Harvesting of the 2012 maize crop began in July in the south, while the crop is at early to middle vegetative stage in the north. Crop conditions across the country are generally satisfactory. However, interior parts of North China Plain and Yangtze Valley Plain received below average precipitation since the second dekad of May, which reportedly caused crop stress and may negatively impact local production. Latest forecasts put this year’s maize production at a new record level of 197.5 million tonnes, some 3 percent above the 2011 bumper harvest. The expected increase is predominantly attributed to an expansion of almost 3 percent in the planted area.

Cereal imports in 2012/13 marketing year forecast to reach a new record

Despite the improvement in the cereal production over the past few years, the country is expected to import about 11.6 million tonnes, slightly above last year's level. Maize imports are expected at around 6 million tonnes during 2012/13 marketing year (October/September) or 1 million tonnes more than in 2011/12. The high import level is mainly in response to China’s growing demand for feed use.

Bumper 2011 cereal harvest

In spite of the exceptionally dry weather conditions in mid-year of 2011 affecting some parts of the country, total cereal production was estimated at a record level of 519 million tonnes in paddy terms or
455.7 million tonnes in milled rice. This increase was supported by the Government’s effort to provide irrigation and other inputs/resources to drought-affected farmers.

**Prices of rice and wheat remain generally stable**

Prices of rice and wheat flour, which had increased over the last two years, stabilized since January 2012, reflecting adequate supplies from the record harvest in 2011. However, in June 2012, the average price of wheat flour was only some 1.2 percent below the high levels of a year ago, while prices of rice were marginally above their levels of a year earlier.

Overall, recent declines in non-cereal food prices have contributed to a reduced inflation. The Government has implemented a series of policy measures in efforts to stabilize most of the domestic cereal prices and markets.

The latest official data indicate that the year-on-year consumer price inflation (CPI) decreased to 2.2 percent in June 2012 from 3 percent in May 2012.

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**China**

**Total cereal imports**

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<thead>
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<th>Year</th>
<th>Average 2007/08-2011/12</th>
<th>2011/12</th>
<th>2012/13 forecast</th>
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<td>11 667</td>
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</table>

Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years. Source: FAO/GIEWS/Country Cereal Balance Sheets

**China**

**Total cereal exports**

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<tr>
<th>Year</th>
<th>Average 2007/08-2011/12</th>
<th>2011/12</th>
<th>2012/13 forecast</th>
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<tbody>
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<td>000 tonnes</td>
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<tr>
<td>0</td>
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</table>

Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years. Source: FAO/GIEWS/Country Cereal Balance Sheets

**China**

**Selected retail cereal prices**

Yuan Renminbi per Kg

Source: National Bureau of Statistics of China

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GIEWS global information and early warning system on food and agriculture
FOOD SECURITY SNAPSHOT
- Generally favourable beginning of 2012 winter crops, mainly wheat and barley
- Record 2011 cereal harvest estimated despite a prolonged dry conditions in parts of the country during the year
- Cereal prices continue to rise

Generally favourable beginning of 2012 winter crops, mainly wheat and barley
Planting of the 2011/12 winter wheat crops is complete. Northern areas of the country received average to above average rains during the first three months of the 2011/12 agricultural season (September-November), but dry weather has prevailed since December. By contrast, south-western, south-eastern and central parts of the country benefitted from generally good rains since September, which have had a beneficial impact on planting and crop emergence.

Record 2011 cereal harvest estimated despite a prolonged dry conditions in parts of the country during the year
In spite of the exceptionally dry weather conditions in mid-year affecting some parts of the country, total cereal production has been estimated at a record level of 512.1 million tonnes including paddy or 448.7 million tonnes including milled rice. This increase was supported by the Government's effort to provide irrigation and other inputs/resources to drought affected farmers.

The harvest of the 2011 secondary spring wheat crop was completed in August and the winter wheat crop was gathered earlier. The 2011 aggregate wheat output is estimated at a record level of 116.8 million tonnes, indicating a slight increase over the previous year's bumper output.

Harvesting of the 2011 maize crop began in April in the south and continued until mid-October in the north. The 2011 maize output reached a new level of 184.5 million tonnes, 4.1 percent over the 2010 record harvest.

Harvesting of the rice crop was completed in November. Reflecting increase in paddy plantings and high yields, the aggregate rice harvest (in paddy terms) was upgraded to 201.5 million tonnes, indicating a 2.9 percent increase from the harvest of a year before. The total paddy production experienced an upward trend over the last ten years. The production augmentation is also seen as partly a response to the higher procurement prices and some liberalization of the cereal market.

Despite the significant improvement in the cereal production over the past few years, China (Mainland), the country is expected to import about 4.5 million tonnes of maize during 2012 or 3.5 million tonnes more than in 2011. This high import level is in response to China's growing demand for feed and the increasingly high domestic maize price. The total cereal imports for the 2011/12 marketing year are

China
Cereal production

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<th>2006-2010 average</th>
<th>2010 estimate</th>
<th>change 2011/2010 percent</th>
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<td>Rice (paddy)</td>
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<td>195 761</td>
<td>201 500</td>
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<td>Maize</td>
<td>162 208</td>
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<td>Wheat</td>
<td>112 103</td>
<td>11 180</td>
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<tr>
<td>Others</td>
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<td>9 291</td>
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<tr>
<td>Total</td>
<td>474 466</td>
<td>497 477</td>
<td>512 145</td>
</tr>
</tbody>
</table>

Note: percentage change calculated from unwounded data.
Source: FAO/GIEWS/Country Cereal Balance Sheets
forecast to reach a new record level at 9.1 million tonnes.

**Cereal prices stabilize in January**

Prices of rice and wheat flour have been rising steadily in the past months, but stabilize in January 2012. However they were both 5 percent higher than in January 2011. Overall, recent declines in non-cereal food prices have contributed to a reduced inflation.

The Government has implemented a series of policy measures in effort to stabilize most of the domestic cereal prices and markets. However, the price of Japonica rice, consumed by the higher-income groups of the population, has been increasing, reflecting sustained demand associated with growth of incomes. Similarly, prices of Indica rice, the staple for the majority of the population, has been rising since December 2010 and in October 2011 it was 22 percent above its level a year before.

The latest official data indicate that the year-on-year consumer price inflation (CPI) increased slightly to 4.5 percent in January 2012 from 4.1 percent in December 2011.
FOOD SECURITY SNAPSHOT
- Record 2011 cereal harvest estimated despite a prolonged dry conditions in parts of the country during the year
- Cereal prices continue to rise

Record 2011 cereal harvest estimated despite a prolonged dry conditions in parts of the country during the year

In spite of the exceptionally dry weather conditions in mid-year affecting some parts of the country, total cereal production has been estimated at a record level of 512.2 million tonnes including paddy or 448.2 million tonnes including milled rice. This increase was supported by the Government’s effort to provide irrigation and other inputs/resources to drought affected farmers.

The harvest of the 2011 secondary spring wheat crop was completed in August and the winter wheat crop was gathered earlier this year. The 2011 aggregate wheat output is estimated at a record level of 116.8 million tonnes, indicating a slight increase over the previous year’s bumper output.

Harvesting of the 2011 maize crop began in April in the south and continued until mid-October in the north. The 2011 maize output has reached a new level of 184.5 million tonnes, 4.1 percent over the 2010 record harvest.

Harvesting of the rice crop was completed in November. Reflecting increase in paddy plantings and high yields, the aggregate rice harvest (in paddy terms) has been upgraded to 200.2 million tonnes, indicating a 3 percent increase from the harvest of a year before. The total paddy production has experienced an upward trend over the last ten years, consistent with China’s high self-sufficiency target and government support to the cereal sector. The production augmentation is also seen as partly a response to the higher procurement prices. Some liberalization of the market has also supported the increase in cereal production.

Despite the significant improvement in the cereal production over the past few years, China (Mainland), the country is expected to import about 4.5 million tonnes of maize during 2012 or 3.2 million tonnes more than in 2011. This high imports level is in response to China’s growing demand for feed and the increasingly high domestic maize price. Similarly, the total cereal imports, including barley, maize, wheat and rice, during the 2010/11 marketing year (July/June) for the Mainland China are estimated at 4.8 million tonnes, a 13.8 percent lower than a year earlier. The total cereal imports for the 2011/12 marketing year are forecast to reach a new record level at 9.2 million tonnes.

Cereal prices continue to rise
Prices of rice and wheat flour have been rising steadily in the past months, and in November 2011 were 12 and 14 percent higher than in November 2010, respectively. Price for maize declined slightly in...
November, following the completion of a record harvest. Overall, recent declines in non-cereal food prices have contributed to a reduced inflation, which are given a nearly one-third weight in China’s consumer price inflation calculation.

The Government has implemented a series of policy measures in effort to stabilize most of the domestic cereal prices and markets. However, the price of Japonica rice, consumed by the higher-income groups of the population, has been increasing, reflecting sustained demand associated with growth of incomes. Similarly, prices of Indica rice, the staple for the majority of the population, has been rising since December 2010 and in October 2011 it was 22 percent above its level a year before.

The latest official data indicate that the year-on-year consumer price inflation (CPI) decreased to 4.2 % in November 2011 from 5.5 percent in October 2011. The inflation in November was the lowest since October last year.
The 2011 winter wheat crop is estimated at 114 million tonnes, 1 percent below 2010 level

In the Mainland China the persistent drought situation has not improved a great deal, however, given the reported massive efforts from the Government to provide irrigation and other inputs/resources to farmers the drought effect is expected to be mitigated somewhat. The estimate of the harvest at 114 million tonnes is slightly below last two years’ good crop. In the North China Plain, the main wheat growing area of the country, received some precipitation, either through cloud seeding or naturally, and experienced increased efforts on irrigation, easing drought conditions prevailing since the planting. The dry conditions reportedly have also lead to much higher incidence of pests and diseases on wheat crop.

Record 2010 cereal outputs gathered in spite of localized flood losses

In spite of the floods last year from May to August in several areas of the country, the total cereal production has been estimated at a record level of 496 million tonnes including paddy or 433 million tonnes including milled rice. The floods affected over 12 million people and damaged crops on 13 million hectares in areas including Guangdong, Guangxi, Fujian, Sichuan, Yunnan, Guizhou, Chongqing, Hubei, Hunan, Jiangxi, Anhui, Shaanxi and Gansu.

The production augmentation is partially seen a response to the higher procurement prices. The Minimum Purchase Prices (MPP) for all wheat in 2010 were increased by CNY 60/tonne from the previous year to CNY 1 800/tonne (USD 264) for white wheat and CNY 1 720/tonne (USD 252.6) for red and mixed wheat. For rice paddy (unmilled), the MPP for 2010 crop was CNY 1 860/tonne (USD 272.8) for early season Indica rice, CNY 1 940/tonne (USD 284.5) for intermediate season Indica rice and CNY 2 100/tonne (USD 308) for late season Japonica rice. These are higher than in the previous year by CNY 60 for early Indica, CNY 100 for middle and late Indica, and CNY 200 for Japonica.

Some liberalization of the market has also supported the increase in cereal production. Different from the previous years, when the Government was the sole buyer of wheat, many private enterprises involved in wheat processing and trading are now allowed to participate in purchasing of wheat at the official minimum purchase prices. This is expected to make the wheat market more competitive and favourable to farmers.

Given the significant improvement in the cereal production over the
past few years China (Mainland) has become virtually self sufficient in net trade terms. The total cereal imports in 2011/12 ((July/June) comprising of barley, maize, wheat and rice, are forecast at 5.7 million tonnes, showing a slight increase over the estimated imports during 2010/11.

**Cereal prices continue to rise**

Faced with soaring international food and fuel prices and inflationary pressures since 2006, China has implemented a series of policy measures and has effectively stabilized most of the domestic cereal prices and markets. However, the price of Japonica rice, consumed by the higher-income groups of the population, has been increasing reflecting sustained demand associated with growth of incomes. On the other hand, prices of Indica rice prices, the staple for the majority of the population, were more stable. Uncertain prospects for the current winter wheat harvest, combined with rising international price of wheat, have resulted in rising prices of the commodity in the domestic market in past several months.
FOOD SECURITY SNAPSHOT

- Outlook for the current winter wheat crop is uncertain but improved from late February
- A record cereal harvest was obtained in 2010 in spite of floods in parts of the country
- Basic food prices rising

Outlook for 2011 winter wheat crop remains uncertain but prospects improving with easing of the drought situation

The prospects for the winter wheat crop planted in October 2010 have improved since FAO’s earlier assessment of the situation in early February. In the North China Plain, the main wheat growing area of the country, received some precipitation, either through cloud seeding or naturally, and experienced increased efforts on irrigation, easing drought conditions prevailing since the planting. The dry conditions reportedly also have led to much higher incidence of pests and diseases on wheat crop. However, precise damage estimates are not yet known. Thus, the prospects for the harvest from June remain uncertain at this time of the season.

Record 2010 cereal outputs gathered in spite of localized flood losses

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Given the significant improvement in the cereal production over the past few years China (Mainland) has become virtually self sufficient in
net trade terms. The net import position in 2011 would, however, be
decided by the final outcome of the current wheat harvest.

Cereal prices rising
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resulted in rising prices of the commodity in the domestic market in past
several months.
**GIEWS Country Brief**

**China (Mainland)**

Reference Date: 28-August-2010

### FOOD SECURITY SNAPSHOT
- Floods and landslide displaced millions of population and caused localized crop damage
- A bumper 2010 wheat crop gathered and record cereal output expected
- Increased Government support prices for wheat and rice
- Overall cereal supply situation satisfactory and basic food prices stable

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**Floods and landslide displaced 12 millions and caused serious localized crop damage**

From May to August 2010, several areas of China experienced floods that overall are rated as the worst in a decade. Over 12 million people have been displaced and more have been adversely affected by the floods. Severe crop losses are reported at local level and in aggregate 13 million hectares of farmlands have been damaged. The most seriously affected areas include Guangdong, Guangxi, Fujian, Sichuan, Yunnan, Guizhou, Chongqing, Hubei, Hunan, Jiangxi, Anhui, Shaanxi and Gansu.

On 8 August 2010, a massive mudslide hit the mountainous Zhouqu county of Gannan Tibetan Autonomous Prefecture. As of 27 August 2010, at least 1,456 were killed and 309 are listed as missing. Destruction of large numbers of houses and basic infrastructures is also reported.

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**Record 2010 cereal and livestock outputs expected in spite of localized losses**

Harvesting of the 2010 winter wheat crop, which accounts for about 95 percent of China’s annual wheat production, was gathered in June, while harvest of the 2010 secondary spring wheat crop has just been completed.

The winter wheat output is estimated slightly higher than last year’s bumper crop, while the spring crop is anticipated to be slightly below the record level of last year due to extremely low temperature at planting time that resulted in the reduction of area sowed in northeast China, the main growing region. In aggregate, the 2010 wheat output is put at about 114 million tonnes, close to the record level of the previous year.

Harvesting of 2010 maize crop was completed in southern areas in August, but is still ongoing in northern parts. The 2010 maize output is forecast at a record level of 166 million tonnes reflecting higher yields and plantings, in response to strong demand from the livestock sector.

Harvesting of the 2010 early rice crop, a small crop accounting for less than 20 percent of total annual paddy output, was completed in July, and production is officially estimated at 31.3 million tonnes, 6.1 percent below the record level of last year. Prospects for the intermediate (single) and late rice crops are reported to be developing under generally favourable growing conditions. The aggregate paddy rice

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### Crop calendar

**China**

- **Groundnut**
- **Maize (North)**
- **Maize (South)**
- **Papeseed**
- **Rice (Early Double)**
- **Rice (Late Double)**
- **Rice (Single)**
- **Soybean**
- **Wheat (Spring)**
- **Wheat (Winter)**

**Source:** FAO/GIEWS

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### China Cereal production

<table>
<thead>
<tr>
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<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Rice (paddy)</td>
<td>187,068</td>
<td>195,100</td>
<td>196,659</td>
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<tr>
<td>Maize</td>
<td>134,633</td>
<td>163,970</td>
<td>166,000</td>
<td>1</td>
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<tr>
<td>Wheat</td>
<td>110,857</td>
<td>115,121</td>
<td>114,000</td>
<td>-1</td>
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<tr>
<td>Others</td>
<td>105,29</td>
<td>91,75</td>
<td>94,12</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>460,788</td>
<td>483,366</td>
<td>486,051</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: percentage changes calculated from unrounded data. Source: FAO/GIEWS Country Cereal Balance Sheets.
output is 2010 is tentatively forecast at a record 196 million tonnes.

During the first half of the year, total meat output (including pork, beef, mutton, and poultry) is officially reported at 37.13 million tonnes, 3.5 percent over the record in the previous year.

**Higher support prices for cereals and trade opened in current season**

The Minimum Purchase Prices (MPP) for all wheat in 2010 increased by CNY 60/tonne (USD 8.8) from the previous year. The new MPP is CNY 1 800/tonne (USD 264) for white wheat, CNY 1 720/tonne (USD 252.6) for red and mixed wheat. The purchase period at these prices is from 21 May to 30 September 2010.

For rice paddy (unmilled), the MPP for 2010 crop is CNY 1 860/tonne (USD 272.8) for early season Indica rice, CNY 1 940/tonne (USD 284.5) for intermediate season Indica rice and CNY 2 100/tonne (USD 308) for late season Japonica rice. They are respectively higher than in the previous year by CNY 60/tonne (USD 8.8) for early Indica, CNY 100/tonne (USD 14.7) for middle and late Indica, and CNY 200/tonne (USD 29.4) for Japonica.

Different from the previous years, when the Government was the sole buyer of wheat, many private enterprises involved in wheat processing and trading are allowed to participate in purchasing of wheat this year at the official minimum purchase prices. This is expected to make the wheat market more competitive and favourable to farmers.

**Overall cereal supply situation satisfactory and cereal prices remain stable**

Despite the localized crop losses to floods and food difficulties experience by the affected population, the overall cereal supply situation in the country remains satisfactory. The 2010 aggregate cereal output is forecast above the previous year’s record production, while carryover stocks of rice, wheat and maize from the 2009/10 season are estimated to be much higher than in recent years.

Faced with soaring international food and fuel prices and inflationary pressures since 2006, China has implemented a series of policy measures and has effectively stabilized domestic cereal prices and markets. By July, Indica rice prices, the staple for the majority of the population, were about the same level than a year ago. However, the price of Japonica rice, consumed by the higher-income groups of the population, has been increasing reflecting sustained demand associated with growth of incomes.
**FOOD SECURITY SNAPSHOT**
- A good 2010 winter wheat crop being harvested
- Increased government support prices for wheat and rice production
- Overall cereal supply situation satisfactory and basic food prices stable

**A bumper harvest of the 2010 winter wheat is expected**

Harvesting of the 2010 winter wheat crop, which accounts for about 95 percent of China’s annual wheat production, is well advanced. The winter wheat output is forecast to be slightly higher than last year’s bumper crop, despite a series of weather-related problems, including heavy drought in southwestern China since last September until March 2010 and persistent cold weather during the early stage of the season in north and east China.

The good crop is a result of the larger area and improvement of weather conditions in the late stage of crop development. The area planted is reportedly increased by 130,000 hectares above the record in the previous year, reflecting the strong government support with direct subsidies and increased government purchase prices.

**Higher support prices for cereals and trade opened in current season**

The Minimum purchase prices (MPP) for all wheat increased by CNY 60 (or USD 8.8) per tonne from the previous year. The new MPP in 2010 is CNY 1800 per tonne for white wheat (USD 264), CNY 1720 per tonne for red wheat (USD 252.6), and mixed wheat. The purchase period for these government price is from 21 May to 30 September 2010.

For rice paddy (unmilled), the MPP for 2010 crop is CNY 1860 per tonne (USD 272.8) for early season Indica rice, CNY 1940 per tonne (USD 284.5) for intermediate season Indica rice and CNY 2100 per tonne (USD 308) for late season Japonica rice. They are respectively higher than in the previous year by CNY 60 (or USD 8.8) per tonne for early Indica, CNY 100 (or USD 14.7) per tonne for middle and late Indica, and CNY 200 per tonne (or USD 29.4) for Japonica.

Different from the previous years, when the Government was the sole buyer of wheat, many private enterprises involved in wheat processing and trading are allowed to participate in purchasing of wheat this year at the official minimum purchase prices. This is expected to make the wheat market more competitive and favourable to farmers.

**Overall cereal supply situation satisfactory and grain prices remain stable**

The overall cereal supply situation in China is satisfactory. The 2009 aggregate cereal output was estimated virtually unchanged from the previous year’s good crop, which reflected several consecutive years of growth. Ending stocks of rice, wheat and maize are estimated to be...
much higher than those in recent years. From 2004 to 2009, the ratio of ending stock to domestic utilization has been estimated to have increased from 45 percent to 54.5 percent for rice and 48 percent to 76 percent for wheat. These ratios in China, compared to the world average (excluding China), are much higher.

Faced with soaring international food and fuel prices and inflationary pressures since 2006, China has implemented a series of policy measures and has effectively stabilized domestic grain prices and markets. The major factor behind this stabilization has been China’s long term grain production support policies which boosted grain output. Restricting grain export measures and building grain reserve also effectively isolated the domestic market from international trends during the soaring food prices crisis in 2008.
Severe and prolonged drought threatens food security in southwestern China

Parts of southwestern China are suffering from the worst drought in several decades since last September is adversely affecting huge areas of the 2010 winter wheat and oilseeds crops and leaving millions of people water and food shortage. The worst affected areas include the provinces of Yunnan, Guizhou, Guangxi, Sichuan, as well as the city of Chongqing. The national grain bureau has mobilized 1.42 million tonnes of grain as emergency stocks to the affected region. At national level, however, the impact of the drought on the 2010 wheat production will be very limited. The area affected is about 3.7 percent of the normal total area planted and the share of the affected production is about 1.7 percent.

Outlook for the 2010 winter wheat is generally favourable

The outlook is generally favourable for the winter wheat crop. The winter wheat crop, which accounts for about 95 percent of annual wheat production, is at the late stage of development. The area planted is preliminarily estimated unchanged from the record in the previous year, reflecting the strong government support with direct subsidies and increased minimum purchase prices for wheat by 60 Yuan (or USD 8.8) per tonne for white wheat, red wheat, and mixed wheat in 2010, and rice increased by 60 Yuan (or USD 8.8) for early Indica, 100 Yuan (or USD 14.7) per tonne for middle and late Indica, and 200 Yuan per tonne (or USD 29.4) for Japonica.

Overall cereal supply situation satisfactory and grain prices remain stable

The overall cereal supply situation in China is satisfactory. The 2009 aggregate cereal output was estimated virtually unchanged from last year’s good crop, which reflected five consecutive years of growth. Ending stocks of rice, wheat and maize are estimated to be much higher than those in recent years. From 2004 to 2009, the ratio of ending stock to domestic utilization has been estimated to have increased from 45 percent to 54.5 percent for rice and 48 percent to 76 percent for wheat. These ratios in China are much higher than those of the world average (excluding China).

Faced with soaring international food and fuel prices and inflationary pressures since 2006, China has implemented a series of policy measures and has effectively stabilized domestic grain prices and...
markets. The major factor behind this stabilization has been China’s long term grain production support policies which boosted grain output. Restricting grain export measures and building grain reserve also effectively isolated the domestic market from international trends during the soaring food prices crisis in 2008.

The retail price of Indica rice, the staple food for the poor, was quoted at 2.849 Chinese Yuan/kg in March 2010, almost unchanged from that in the previous year and 7.9 percent higher compared to that in March 2008.

The retail price of Japonica rice, mostly consumed by wealthy people, has been increasing in last two years (from 2.575 Yuan/kg in March 2008 to 3.365 Yuan/kg in March 2010), reflecting strong demand from the middle-class and rich people.

7.1 Magnitude earthquake hits Qinghai province and affecting food security of local residents

An earthquake measuring 7.1 on the Richter scale hit northwest China’s Qinghai province on 14 April 2010. Some 2 000 people has been reportedly killed and some 12 000 people injured. The area of the quake is the home of herders and Tibetan monasteries. Some 40 000 animals (7.6 percent of total animals in the area) were reportedly lost.
FOOD SECURITY SNAPSHOT

- Favourable crop prospects for 2009, reflecting adequate growing conditions
- Overall cereal supply situation satisfactory and grain prices continue to be stabilized
- Governments’ new trade policies to encourage exports
- Typhoon Morakot seriously affected crop and food production and supply and displaced millions in Taiwan and Southeast Mainland China

Record grain output in 2009 is forecast

In China (Mainland), the harvest of the 2009 secondary spring wheat crop was completed in August and output is estimated at record 6 million tonnes. Winter wheat, gathered earlier in the year, was reported a bumper crop despite a series of weather-related problems, including drought and widespread crop diseases in some major wheat-growing areas earlier this year. The 2009 aggregate wheat output is now estimated at a record 114.9 million tonnes, some 2.2 percent above the previous high set last year.

Harvesting of the 2009 maize crop was completed in southern areas in August, but is still ongoing in northern parts. The 2009 maize output is forecast at 165.5 million tonnes, virtually unchanged from the record level of last year.

Harvesting of the 2009 early rice crop, a small crop accounting for less than 20 percent of total annual paddy output, was complete in July, and output is estimated at some 38 million tonnes, about 3.3 percent above the good crop of last year, reflecting increased area and high yields. The intermediate and late rice crops, planted in July, and due for harvest in November and December, are reported to be developing under generally favourable growing conditions. The aggregate paddy rice output in 2009 is tentatively forecast at 193 million tonnes, some 1 percent up from last year’s record.

Overall cereal supply situation satisfactory and grain prices remain stable

The overall cereal supply situation in China is satisfactory. The 2009 total cereal output is expected to grow for the 6th consecutive year. Ending stocks of rice, wheat and maize are estimated to be much higher than those in recent years. From 2004 to 2009, the ratio of ending stock to domestic utilization has been estimated to have increased from 45 percent to 54.5 percent for rice and 48 percent to 76 percent for wheat. These ratios in China are much higher compared to those of the world average (excluding China).

Faced with soaring international food and fuel prices and inflationary pressures since 2006, China has implemented a series of policy measures and has effectively stabilized domestic grain prices and markets. The major factor attributed to this stabilization should be China’s long term grain production support policies which boosted grain production. Restricting grain export measures and grain reserve measures also effectively isolated the domestic market from

GIEWS Country Brief

China

Reference Date: 10-September-2009

Crop calendar

China

Cereal production and imports

China
Governments' new trade policies to encourage exports

In view of the expected bumper crops and sufficient cereal supply in 2009/10, China has eliminated export taxes on some grains, including wheat (3 percent), rice (3 percent), and soybeans (5 percent), effective 1 July 2009. China also eliminated special export taxes on some fertilizers.

Typhoon Morakot seriously affected and displaced millions in Taiwan and Southeast Mainland China

The landfall and flooding during 6-11 August 2009 severely affected the Taiwan and the following provinces in China Mainland: Zhejiang, Fujian, Jiangsu, Anhui, Jiangxi, and Shanghai. Agriculture has been the hardest hit. On the mainland alone, more than 3.4 million hectares of farmlands have reportedly been damaged severely. Direct economic losses have been estimated at over USD 5.3 billion. In Taiwan, total agricultural losses have been reported at over 16.4 billion NT dollars (or USD 500 million).