

**Required Report:** Required - Public Distribution

**Date:** March 04, 2022

**Report Number:** CH2022-0026

**Report Name:** Livestock and Products Semi-Annual

**Country:** China - People's Republic of

**Post:** Beijing

**Report Category:** Livestock and Products

**Prepared By:** Alexandra Baych

**Approved By:** Adam Branson

**Report Highlights:**

In 2022, imports of breeding swine are estimated lower at 20,000 head and pork imports are estimated at 3.3 million metric tons (MMT). Domestic swine, breeding sows, and pork production are expected to exceed 2021 levels as producers increasingly compete for market share and morbidity associated with African Swine Fever (ASF) outbreaks, lowers. Consequently, and with weaker consumer demand in anticipation of a less robust economic outlook, domestic pork prices should remain low in 2022. Consumer demand for imported beef products and expanded exports of live cattle by South American countries will increase imports to 3.1 MMT and 375,000 head, respectively.

## EXECUTIVE SUMMARY

**Swine Production:** The hog production estimate for 2022 is 665 million head, a 2 percent increase over 2021 driven by high beginning stocks and more efficient sows. Producers' losses as well as government policies designed to stabilize the swine herd are expected to temper production and swine sector volatility in 2022.

**Swine Imports:** Imports of live breeding swine in 2022 are estimated lower at 20,000 head as producers clear through 2021 supply levels. Low hog and piglet prices that continued into 2022 are expected to lower demand for imported breeding swine.

**Pork Production:** For 2022, pork production is estimated to reach 50 million metric tons (MMT), a 5 percent increase over 2021, due to higher hog production and higher slaughter levels. Large producers are continuing to expand their market share of pork production.

**Pork Imports:** The 2022 pork import estimate is lowered to 3.3 MMT due to competition from low-priced domestic pork, a pork import tariff increase (from 8 to 12 percent), less optimistic economic outlook, and continued COVID-19 related restrictions and market disruptions.

**Cattle Production:** In 2022 cattle production is expected to increase to 52.5 million head, consistent with USDA official estimates.

**Cattle Imports:** The 2022 cattle imports are estimated to rise to 375,000 head, on increased imports from South America.

**Beef Production:** Beef production for 2022 is estimated at 7.15 MMT up 2 percent from 2021 on higher cattle production.

**Beef Imports:** The import of beef for 2022 is estimated to rise to 3.1 MMT. The rate of increase is expected to be slower than in 2021 due to a less optimistic economic outlook and COVID-19 restrictions, but still 3 percent increase over 2021.

## SWINE

**TABLE 1. China: Swine Production, Supply, and Distribution**

Animal Numbers, Swine	2020		2021		2022	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Beginning Stocks	310410	310410	406500	406500	410000	449220
Sow Beginning Stocks	31000	31000	38500	39500	39000	40000
Production (Pig Crop)	565000	565000	630000	655000	645000	665000
Total Imports	29	29	40	24	40	20
Total Supply	875439	875439	1036540	1061524	1055040	1114240
Total Exports	718	718	825	881	800	900
Sow Slaughter	0	0	0	0	0	0
Other Slaughter	460000	460000	615000	600000	620000	645000
Total Slaughter	460000	460000	615000	600000	620000	645000
Loss and Residual	8221	8221	10715	11423	9240	8340
Ending Inventories	406500	406500	410000	449220	425000	460000
Total Distribution	875439	875439	1036540	1061524	1055040	1114240
All Units in 1,000 Head						

Not Official USDA Data

### PRODUCTION

***China's sow beginning stocks in 2022 expected to exceed 2021 by 1 percent***

Sow beginning stocks in 2022 are estimated at 40 million head. China's Ministry of Agriculture and Rural Affairs (MARA) noted that 2021 sow inventory is oversupplied and exceeded prescribed levels. Animal disease had a smaller than expected effect in 2021 according to MARA information, and sow stocks continued growing despite hog and pork price declines. Publicly traded hog producers suffered significant losses in 2021 according to released financial statements and media reports. To stem

financial losses and generate cash, reports indicate that large hog producers culled substantial numbers of inefficient sows.

***China requires producers/provinces to maintain national sow inventory at 41 million***

On September 23, 2021 MARA published the Interim Implementation Plan to Manage Swine Production Capacity (see GAIN Report [CH2021-0121](#)). This plan aims to stabilize the swine sector from dramatic fluctuations by providing production targets. The plan requires the national sow inventory to be maintained at 41 million and specifies a “normal” inventory target for each province/area that should not fluctuate more than 5 percent. The central government will use control measures if production is outside the targeted range. The plan also provides support for large-scale farms (defined as more than 500 head). Industry contacts indicate these measures could further accelerate concentration in the swine sector.

**IMAGES 1, 2. China: Professional Breeding Facilities**



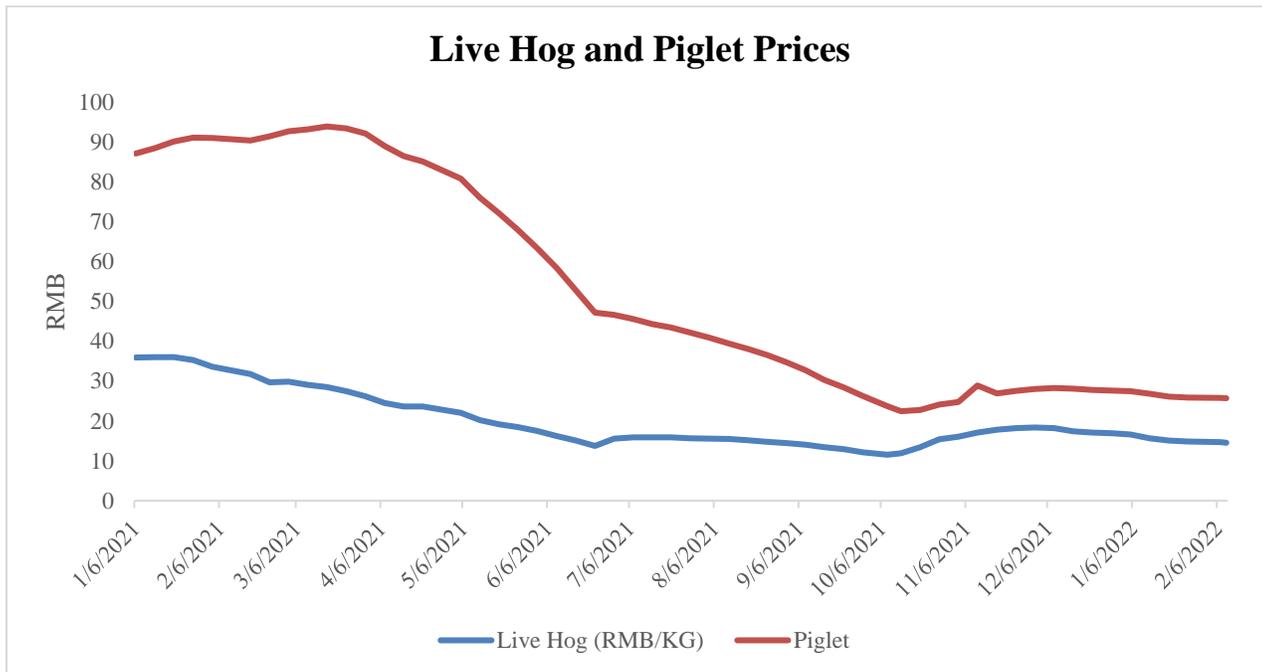
***New ASF strain appears to be less fatal, more manageable***

In 2022, hog losses from animal diseases are expected to fall but ASF is expected to remain endemic. In October 2021, the Harbin Veterinary Research Institute of the Chinese Academy of Agricultural Sciences (CAAS) identified a less virulent new strain of ASF. This strain appears to be less fatal to hog, sow, and piglet populations. Hog producers and provincial authorities have adapted production and slaughter practices to mitigate against large losses and disease spread (see footnote 1 below).<sup>1</sup> In 2021, China’s swine sector noted substantial production - increasing piglet, hog, and pork inventories. This exacerbated declines in prices through the end of 2021 (see CHART 1 below).

---

<sup>1</sup> For example, Guangdong Province instituted two measures in August 2021 the “Administration Regulations on Live Hog Slaughtering” supporting the construction of largescale and vertically integrated slaughterhouses closer to hog producing areas and the “Notice on Adjusting Transportation Methods for Live Pigs and Pork Products” limiting the shipment of live hogs for slaughter into Guangdong to five neighboring provinces (Fujian, Jiangxi, Hunan, Guangxi and Hainan). Pork products are allowed to be shipped into the province with proper inspection documentation.

**CHART 1. China: Live Hog and Piglet Prices Declined in 2021**



Source: MARA

***Significant swine sector losses - boost culling of inefficient sows***

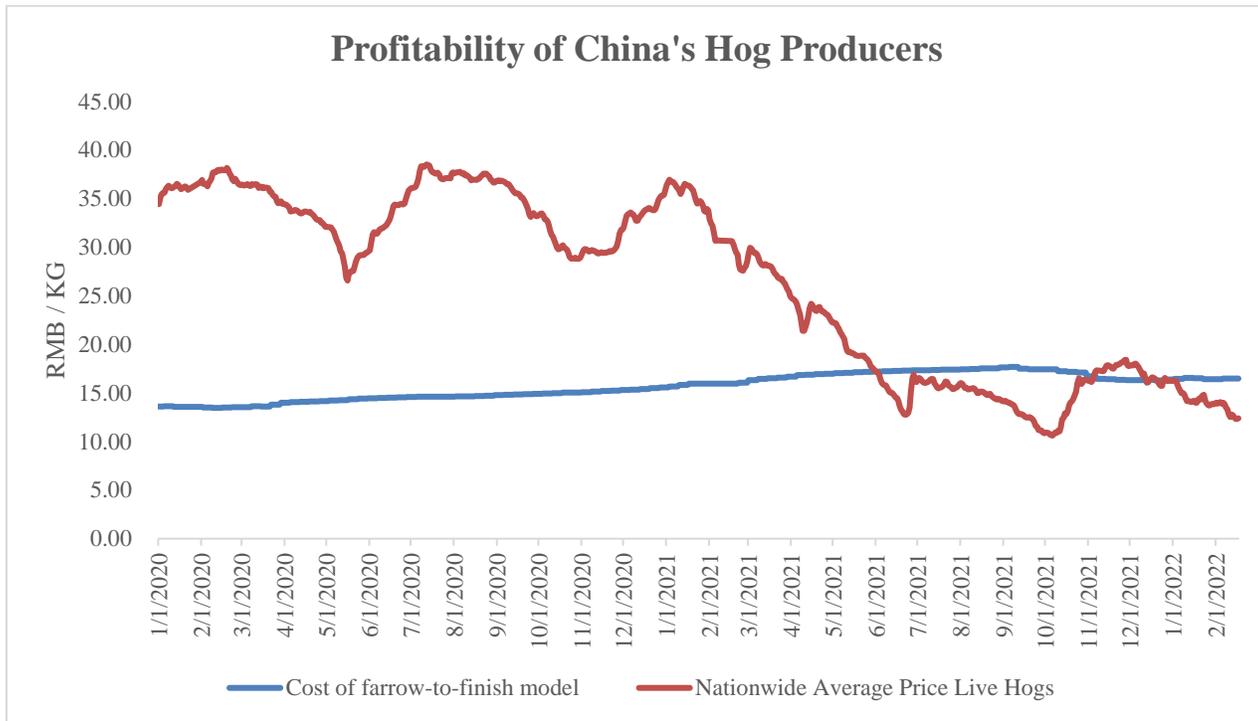
In 2021, media reports indicated that low hog and pork prices quickened the culling of inefficient sows as producers looked to increase cash liquidity. Reports indicated that one of the top five publicly traded hog producers in China announced that in 2021 (primarily, in the second half of the year) they had culled 2.2 million inefficient sows bringing their total year end sow inventory to just under 400,000 head. In December 2021, MARA announced that while the fertile sow population had been declining since July 2021 the overall supply exceeded the target population and that China would aim to keep the sow population to around 41 million head.

NOTE: China’s official National Bureau of Statistics (NBS) had the sow population at the end of 2021 at 43.29 million sows, higher than industry estimates suggest. Industry sources have noted that some producers are retaining and raising piglets in anticipation of an increase in piglet and breeding swine prices.

***Concerns mount regarding China’s publicly trade hog producers***

Reports indicate that China’s top twelve publicly traded companies registered losses totaling nearly \$80 billion in 2021. Investors are increasingly concerned that public companies may not be able to ride out prolonged low prices without substantial financial assistance or subsidy from central, provincial, or local agencies (see CHART 2 below).

**CHART 2: China: Hog Producers see Growing Losses**



Source: MARA and industry sources.

In September 2021, MARA announced the establishment of a “National Swine Production Adjustment Base” for swine farms with over 10,000 head, which emphasizes support for large hog producers. Provinces like Jiangxi and Henan, the homebase of two of China’s largest publicly traded hog companies, have provided a variety of subsidies to producers, including access to low-cost loans, to maintain production targets and avoid further stock shocks.

***Hog production is estimated to exceed 2021 rates by 2 percent***

In 2022, hog production is estimated to reach 665 million hogs, exceeding 2021. Higher beginning sow inventories, coupled with more efficient breeding sows, are expected to improve hog production by 2 percent. In 2022, further growth in hog production is expected to be stifled by government policies that are designed to stabilize the swine sector and limit production volatility (see above).

Consumer demand for pork has been weak and is expected to remain weak throughout 2022. Industry sources note that consumers diversified meat consumption during the “high” pork price period following outbreaks of ASF – and that these changes in preferences appear to have persisted even as pork prices declined in 2021. Reportedly, weak consumer demand, higher supplies and product availability dramatically lowered national pork prices in 2021 (see CHART 2 above). Finally, high feed costs are

estimated to continue through 2022 - putting further pressure on profits, making substantial expansion less attractive.

## TRADE

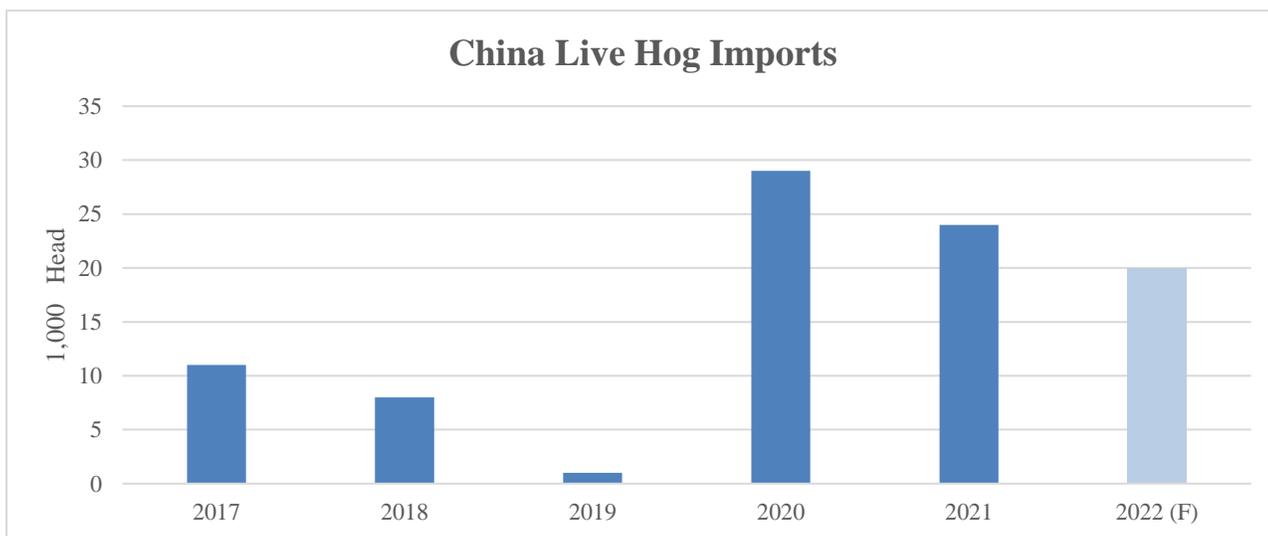
### *2022 live swine imports expected to decline as sow herd stabilizes*

In 2022, live swine imports are expected to decline to 20,000 head. Live swine imports have historically been relatively low and recent growth was spurred by the desire to improve herd genetics while pork prices were high (see CHART 3 below). However, costs for transporting, testing, and delivering imported hogs are reportedly unrealistic for China’s hog producers at current hog prices. Reports indicate that some large producers are establishing “nuclear” herds to centralize breeding within their facilities (those producers increasingly focused on vertical integration), while others have returned to relying on breeders to supply piglets.

In 2022, live hog imports will be dominated by long-term partners such as the United States, Denmark, France, and the United Kingdom. In September 2021, Ireland signed an agreement with the General Administration of Customs of the People’s Republic of China (GACC) to ship breeding swine. Industry sources note that breeding swine from the United States are preferred because of hog size, higher survival rates, and higher meat production efficiency rates. Danish-origin breeding swine are popular due to higher rates of piglet production, on average, over the life span of the breeding sow.

Swine import and export estimates for 2021 are revised from USDA official data based on information from China Customs.

**CHART 3. China: Live Hog Imports expected to decline in 2022**

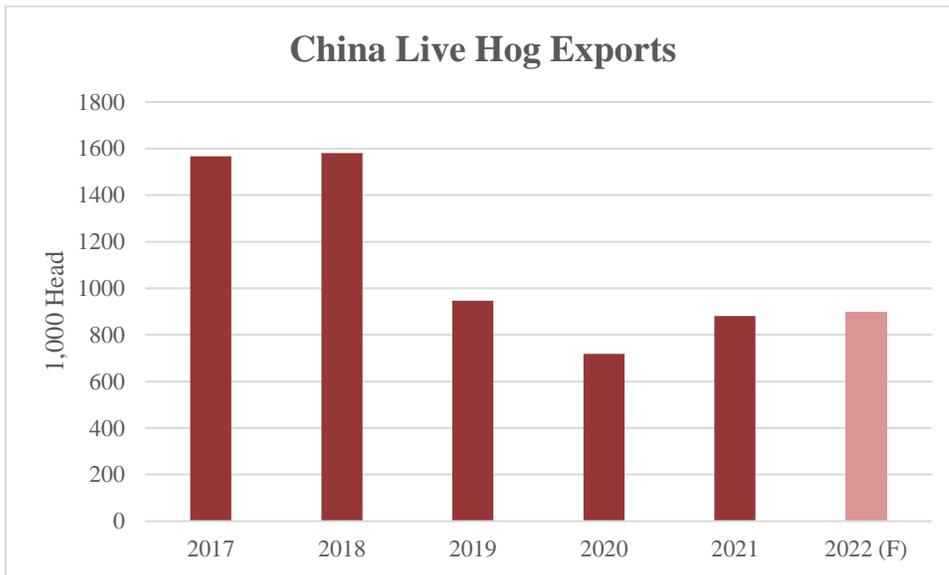


Source: Trade Data Monitor (TDM) and Post estimate

***Exports estimated to rise to 900,000 head dominated by Hong Kong and Macao***

In 2022, China’s live swine exports are estimated at 900,000 head, a similar level as 2021 (see CHART 4 below). China mainly exports live swine to Hong Kong and Macao. Consumer preferences in Hong Kong and Macao favor “hot” (fresh) pork meat which supports the export of live hogs for immediate slaughter.

**CHART 4. China Live Hog Exports in 2022, Relatively Unchanged from 2021**



Source: TDM and Post estimate

## PORK

**TABLE 2. China: Pork Production, Supply, and Distribution**

Meat, Swine	2020		2021		2022	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference)	460000	460000	615000	600000	620000	645000
Beginning Stocks	0	0	0	0	0	0
Production	36340	36340	48850	47500	49500	50000
Total Imports	5281	5277	4400	4330	4200	3300
Total Supply	41621	41617	53250	51830	53700	53300
Total Exports	100	100	100	104	100	100
Human Dom. Consumption	41521	41517	53150	51726	53600	53200
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	41521	41517	53150	51726	53600	53200
Ending Stocks	0	0	0	0	0	0
Total Distribution	41621	41617	53250	51830	53700	53300

All Units in 1,000 MT CWE, unless otherwise specified

Not Official USDA Data

### PRODUCTION

***2022 pork production expected to rise by 5 percent, prices remain low, and imports decline***

Pork production is estimated at 50 MMT in 2022. The increase of 2.5 MMT from 2021 is due to high beginning sow stocks – which rose by nearly 50 million head from 2021 to 2022 – coupled with a more efficient sow population.

Large producers are expected to maintain production at volumes similar to 2021 as they compete to expand market share. However, high pork volumes will keep prices low and put pressure on producers' profit margins. Frozen pork reserves, both private and public, will limit price volatility. Pork reserves, based on a notice by China's Merchandise Reserve Management Center (which announces pork

purchases and auctions) are released to the market within four months of purchase. Industry estimates place China's pork reserves between 1.5 to 1.7 MMT. Multiple provincial governments already issued announcements to purchase domestic pork to increase prices and the central governments is expected to announce additional purchases soon.

For these reasons, along with high feed costs, large producers are unlikely to dramatically expand production in 2022. Large producers may expand vertical integration across their supply chains (from feed through to retail) to retain profits across the value chain (raising, slaughter, processing, sales to consumers). For example, in the beginning of 2022, China's largest hog slaughter and processor reached a strategic cooperation agreement with China's top hog producer. And large producers are expected to continue increasing their proportion of total slaughtered hogs. Based on the industry reports in 2021, large producers' (defined as more than 500 head per year) market share increased to nearly 20 percent of total production, an increase of 58.3 million hogs (for the top 20 companies) from 2020.

Imports of pork products are expected to decline by 24 percent to 3.3 MMT, due to low domestic pork prices and an increased tariff rate<sup>2</sup> but remain historically high as the demand for imported pork products has increased.

### ***Investments coming online***

In 2021, multiple investments in large-scale production and slaughter facilities came online across China. News accounts reported there were 17-story hog farms and slaughter plants with a capacity to process 2 million hogs per year completing construction. These investments made at the start and throughout the ASF pandemic are reaching completion now. The overarching trend appears to be to bring production farms closer to slaughter, cold chain, and food processing facilities. Industry sources highlight that while production capacity has increased with new facilities being completed, producers are unlikely to utilize the full capacity of these facilities so long as hog and pork prices remain low.

## **CONSUMPTION**

### ***Pork distribution is expected to be at 53.3 MMT***

In 2022, pork distribution (i.e., total exports and total human domestic consumption) is estimated to be 53.3 MMT due to low pork prices and large pork inventories. However, the long-term trend for China's protein consumption is towards animal and aquatic protein diversification. Prior to the outbreak of ASF, pork accounted for over 60 percent of the animal protein market in China, but the share went down to roughly 50 percent as the availability of pork declined following ASF outbreaks. In 2022, low pork prices are expected to increase pork consumption year over year, but it is unlikely to return to pre-ASF levels as consumer eating habits have shifted.

---

<sup>2</sup> On December 15, 2021 the State Council Tariff Committee's Notification of Tariff Adjustment Plan 2022 adjusted the temporary pork tariff rate from 8 percent (in 2021) to 12 percent, starting January 1, 2022. See GAIN Report [CH2021-0169](#)

***In 2022, COVID-19 restrictions and regulatory policies expected to impact consumption***

In 2022, COVID-19 restrictions are estimated to lower pork consumption in the HRI sector where chilled and frozen pork is consumed. Imported cold chain products, including pork, are expected to continue to be strictly regulated (see section of pork trade) requiring importers to adjust. Additionally, China’s local governments projected moderate GDP growth targets underlining a slowing economy and sluggish domestic consumption into 2022, which will weigh on pork consumption.

Labeling regulations such as the Technical Requirements for Chilled Meat Processing published by the State Administration of Market Regulation (SAMR) (a domestic regulatory body) prohibit defrosted meat from being labeled “chilled meat.” This regulation could create additional distinctions between domestic pork (mostly sold chilled) and imported pork (mostly sold frozen or defrosted).

***Trends in pork products***

In China, pork is primarily consumed through retail and food service channels. Processed pork products in retail and for the HRI sector are increasingly gaining popularity but remain a small part of overall consumption (see Images 3 and 4, below).

**IMAGES 3, 4. China: Pork stalls in a wet market (including dried sausages) as well as refrigerated processed pork.**



**TRADE**

***2022 Imports estimated to decline on large domestic pork volume and low domestic prices***

In 2022, pork imports are expected to decline 24 percent to 3.3 MMT – on abundant supplies of domestic pork selling at low prices. Additional factors that may dampen imports include China’s increase of import tariffs on pork products from 8 to 12 percent (see footnote 2, above) and a less optimistic outlook for the economy in 2022. However, imports, are expected to remain historically

elevated as consumers become accustomed to purchasing chilled and frozen imported pork products through HRI and retail channels (see CHART 5 below).

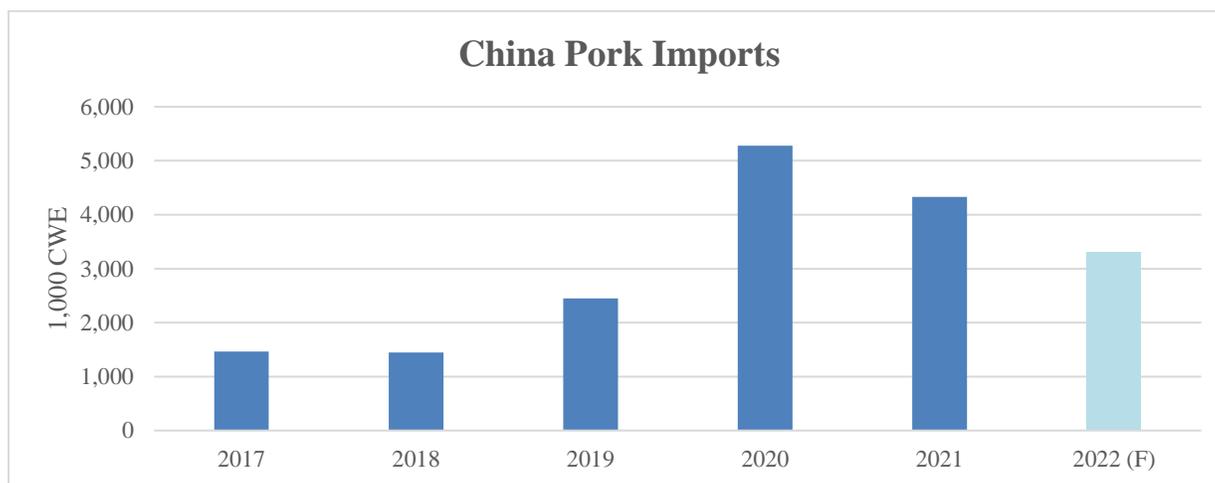
In 2022, international shipping issues are anticipated to remain a challenge for imports, though to a lesser degree than in 2021. Shortages in refrigerated containers, COVID-19 testing and disinfection procedures, and centralized warehousing for imported products will contribute to the shipping challenges facing importers by adding costs and delays to customs clearance.

The five major pork suppliers are expected to remain Spain, Brazil, the United States, Denmark, and the Netherlands. These exporting countries provide pork products that are high quality and competitively priced for the China market. Sources report that U.S. pork is expected to remain popular due to stable supplies and consumers preference for the meats' sweeter taste. Other major supplying countries have advantages such as lower trimming/waste rate and higher lean meat rate.

On January 7, 2022, Italy suspended exports of Italian pork and pork products following a detection of ASF. German pork, which reported ASF outbreaks in September 2020, remains suspended from the Chinese market.

Pork import and export estimates for 2021 are revised to reflect official information from China Customs.

**CHART 5. China: Pork Imports are estimated to decline in 2022**



Source: TDM and Post estimate

#### ***Other adjustments for imports***

In December 2021, GACC announced that starting on January 1, 2022, a [consignee of imported meat](#) will no longer be required in order to import meat products. This change provides an opportunity for a range of new companies to import meat products. For example, large restaurants with multiple outlets, which were previously unable to import products directly from overseas may now apply to import meat products. This regulatory change is unlikely to impact the volume of imports but may increase the

number of companies that import products directly and provide greater access to imported products for the HRI sector.

## CATTLE

**TABLE 3. China: Cattle Production, Supply, and Distribution**

Animal Numbers, Cattle	2020		2021		2022	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stocks	91380	91380	95620	95620	99500	98170
Dairy Cows Beg. Stocks	13600	13600	13900	13900	14000	14000
Beef Cows Beg. Stocks	53000	53000	53400	53400	53450	53450
Production (Calf Crop)	51900	51900	52200	50525	52500	52500
Total Imports	325	325	370	361	350	375
Total Supply	143645	143587	148190	146506	152350	151045
Total Exports	16	16	16	15	16	16
Cow Slaughter	0	0	0	0	0	0
Calf Slaughter	0	0	0	0	0	0
Other Slaughter	46650	46650	47400	47070	48300	47820
Total Slaughter	46650	46650	47400	47070	48300	47820
Loss and Residual	1319	1319	1274	1251	1300	1209
Ending Inventories	95620	95620	99500	98170	102734	102000
Total Distribution	143605	143605	148190	146506	152350	151045
All Units in 1,000 Head						

Not Official USDA Data

## PRODUCTION

### *Production to increase to 52.5 million head, consistent with USDA estimates*

In 2022 cattle production is expected to increase to 52.5 million head, consistent with USDA official estimates. In 2021, NBS official statistics indicate that cattle ending inventories reached 98.17 million head and slaughter reached 47.07 million head. Cattle production in China remains concentrated in small-scale producers. For example, industry estimates suggest that more than 90 percent of beef cattle farms slaughter less than 10 head of cattle. Typical, small-scale producers have limited resources to invest in breeds or improve raising practices for beef production (see Picture 5 below). Production regions in China include Henan, Shandong, and Hebei. Grasslands are increasingly restricted from cattle producers due to environmental regulations and limited availability.

In 2021, endemic diseases did not appear to influence China's cattle production. On October 31, 2021, China reported an outbreak of [foot and mouth disease in yak in Qinghai Province](#), all affected yaks were killed and disposed.

The central government and provincial authorities are targeting beef cattle production as a poverty alleviation program by providing producers with low-cost lines of credit/loans, subsidies for specific inputs and management practices (e.g., manure management), and insurance programs.

### **IMAGE 5: Small herd of beef cattle in north China**



Large producers are receiving government support for modernizing their production systems. For example, in 2021 the Yunnan provincial government reported providing support for the construction of a facility for 100,000 head of beef cattle. Large producers currently operating in China are also investing

in fully vertically-integrated production - from beef cattle/beef production, beef processing to branded products sold at retail to guarantee that the final product quality meets a high standard and builds consumer trust and brand loyalty.

## TRADE

### ***Imports estimated to rise to 375,000 head on expanded exports from South America***

The 2022 cattle import estimate is revised higher to 375,000 head, on increased exports from New Zealand, Chile, Uruguay, and Laos. Cattle imports to China from Australia decreased by over 20 percent year-on-year in 2021.

Imported live cattle to China are composed of beef and dairy cattle. Beef cattle typically account for roughly 20-30 percent of imported live cattle. Imported beef cattle fall into two buckets: cattle for slaughtering purpose and cattle for breeding purpose.

China's beef cattle are overwhelmingly domestic breeds. Live cattle imports for breeding purposes are mainly used to improve the herd quality in large-scale and professionally managed beef cattle operations. Beef from imported beef cattle typically is targeted for the higher-end beef market. Some local governments have provided producer subsidies to incorporate imported cattle in breeding programs to improve herd quality.

Cattle import and export estimates for 2021 are revised based on official information from China Customs.

### ***Exports estimated to Hong Kong and Macao unchanged from USDA official***

China's exports of live cattle to Hong Kong and Macao are expected to remain relatively unchanged from 2021 and reach 16,000 head in 2022. Hong Kong and Macao are the only export destinations for China's live cattle.

## BEEF

**TABLE 4. China: Beef Production, Supply, and Distribution**

Meat, Beef and Veal	2020		2021		2022	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference)	46650	46650	47400	47070	48300	47820
Beginning Stocks	0	0	0	0	0	0
Production	6720	6720	6830	6980	6920	7150
Total Imports	2782	2782	2950	3024	3250	3100
Total Supply	9502	9502	9780	10004	10170	10250
Total Exports	16	16	17	17	21	21
Human Dom. Consumption	9486	9486	9763	9987	10149	10229
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	9486	9486	9763	9987	10149	10229
Ending Stocks	0	0	0	0	0	0
Total Distribution	9502	9502	9780	10004	10170	10250
All Units in 1,000 MT CWE, unless otherwise specified						

Not Official USDA Data

### PRODUCTION

#### *Beef production expected to reach 7.15 MMT as production gradually grows*

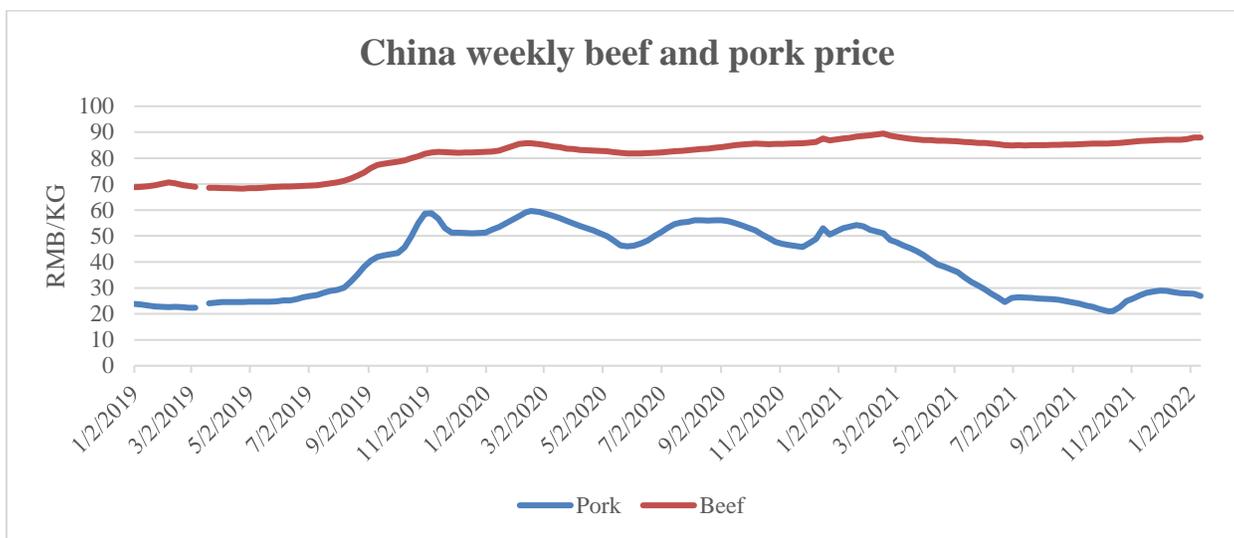
The beef production estimate for 2022 is estimated at 7.15 MMT, up 2 percent from 2021. Sources indicated that some producers extended the fattening processes for cattle until the peak holiday season (i.e., Lunar New Year), expecting higher prices. This caused an increase in beef cattle for slaughter during the peak season, which depressed prices and caused small producers to delay restocking.

## CONSUMPTION

### *Beef consumption estimated to grow to 10.2 MMT on consumer demand, slower pace than 2021*

Beef consumption is estimated at 10.2 MMT in 2022. Beef consumption is estimated to grow but at a slower pace than the last few years as consumers adjust to a less optimistic economic outlook in 2022. According to industry sources and qualitative information gained from Post contacts, beef consumption is largely uncorrelated to pork consumption, which means that low pork prices are unlikely to impact beef consumption trends (see CHART 6, below). However, beef is largely consumed in the HRI sector and prolonged COVID-19 restrictions could negatively affect beef consumption.

#### **CHART 6. China: Weekly beef and pork price**



Source: MARA

Reportedly, about 90 percent of domestically produced beef is sold fresh (not frozen). The main consumption channels for domestic beef include wet-market and food service (example of domestic beef for sale at retail IMAGE 6, below). Most imported beef is sold frozen for beef processing, food service and supermarkets. Australia and New Zealand also ship chilled beef for retail. The share of beef purchased through e-commerce platforms is small compared to other channels but has grown as COVID-19 restrictions made in-person purchases more difficult.

**IMAGE 6. China: Chinese domestic beef sold at retail (same location as above)**



Popular beef cuts include those fit for hot-pot (a popular local cuisine), steaks, BBQs, and some Chinese beef dishes. However, most Chinese consumers are relatively new to consuming beef products. Industry contacts suggest that education and marketing efforts will support imported beef awareness and grow demand for new cuts among Chinese consumers.

## TRADE

### *Beef import trade estimate revised to 3.1 MMT on consumer demand for imported products*

The 2022 beef import estimate is revised to 3.1 MMT. The rate of increase over 2021 is expected to be slower than previous years as the economic outlook for China is less optimistic. Imported beef, like other imported cold-chain products, is expected to face shipping and logistics challenges, including COVID-19 testing, disinfection, and documentation requirements as well as shortages in refrigerated containers. Frozen beef is expected to dominate the market as longer customs clearance times make chilled imported products riskier to source.

In 2022, Brazil is expected to remain the largest beef supplier following China's removal of restrictions on beef products in December 2021. Importers of Australian beef products are facing additional facility suspensions and difficulties clearing product. However, Australian beef remains competitive in China. Argentina has extended domestic beef export restrictions through the end of 2023. The restricted products for exports include seven popular beef cuts and cattle carcasses. Examples of imported beef for sale in high-end supermarkets is in IMAGES 7 and 8, below.

Beef import and export estimates for 2021 are revised to reflect official information from China Customs.

## IMAGES 7, 8. China: Beef in high-end supermarket in Beijing



The loss of supply from Australia and Argentina could be met by other exporting countries such as the United States, Uruguay, and New Zealand. In 2021, China engaged with Uruguay on a free trade agreement. On February 23, 2022, China updated the list of beef products available for import from Chile, including certain cattle by-products. Over 80 percent of beef exports from Chile go to China. U.S. beef products have seen tremendous growth over the last two years but occupy a relatively small share of the market. China's demand for a stable supply of high-quality beef is expected to keep demand for U.S. beef strong in 2022.

### *Beef exports expected to grow from previous year to pre-pandemic levels at 21,000 MT*

China's exports of beef products are estimated at 21,000 MT driven by demand in Hong Kong and Japan. There is no change in comparison to official USDA estimates.

### **Attachments:**

No Attachments