

Market Fact Sheet

China

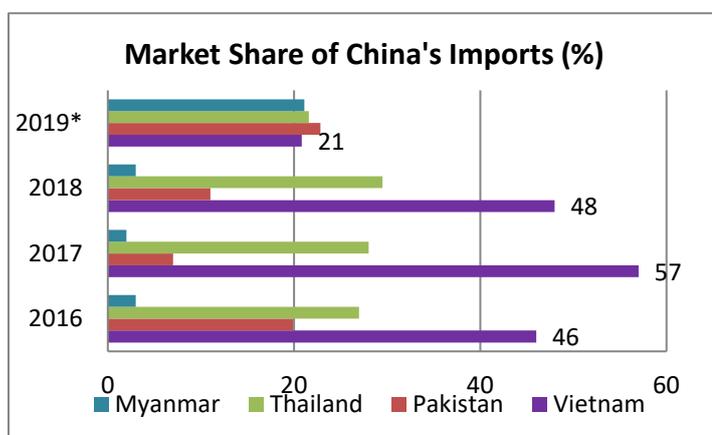
Updated: January 2020

General Information

Population: 1.385 billion

Population Growth Rate: 0.37% per annum

Per Capita Rice Consumption: 221 lbs.



Rice Trade Data (MT)

	2019*	2018	2017	2016
U.S. Exports <i>Trade Data Monitor</i>	-	-	-	-
Total Imports <i>Trade Data Monitor</i>	2.13M	3.04M	4.0M	3.53M

*Jan-Nov

USA Rice Federation Budget (USD)	2018-2019	2017-2018	2016-2017	2015-2016
FAS Funds: MAP	100,000	80,000	90,000	90,000
FAS Funds: FMD	100,000	55,000	35,000	87,500
FAS Funds: EMP	22,295	63,000	0	0
FAS Funds: ATP	250,000	0	0	0
Industry Funds	9,000	15,000	8,000	6,000
Total Budget Expenditure	481,295	213,000	133,000	183,500

Market Conditions

- 2019 crop estimated at 148.9 million MT; carryover stocks estimated at 117 million MT (66% of world total).
- Due to extremely high carryover stocks, China is now aggressively seeking to export rice.
- By early 2019, China authorized imports of U.S. milled rice and approved 32 facilities to export.
- Per capita rice consumption is flat to slightly declining.
- Niche markets for U.S. rice exist - high quality, organic and strong food safety standards.
- Positive rulings in two WTO cases means that China will have to come into compliance on their domestic subsidies for rice farmers and rice TRQ allocation in 2020.

Goals in this Market: Gain meaningful market access for U.S. rice.

Marketing Related Issues

1. Constraints

- a. Market access for imports of U.S. rice constrained by strained trade relations with the U.S.
- b. Lack of awareness of U.S. rice varieties and their attributes.

2. Primary Target Group

HRI and high-end consumer sector in first tier-coastal cities and internet marketers.

3. Strategy

Trade servicing to facilitate imports of U.S. rice into China.

4. Activities

Trade servicing, trade shows, reverse trade missions, continuing work on remaining market access issues, register as required by NGO law (funding for this is under ATP), research to verify China is adhering to the WTO decisions on domestic subsidies and TRQ allocation.

Major change(s) from last year going into this year's UES

1. Strengthen relationships with trade associations which include rice.
2. The Asia promotion subcommittee left the importance of China in a lower priority due to the tense relationship between our two countries; this will be re-evaluated given the recent progress in market access, especially the phase one trade agreement.
3. Availability of ATP funding has permitted a greatly expanded promotions program.