



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

US/China Grain Trade

Trends and Challenges

Rebecca Bratter,
Director Trade Development

Agricultural Outlook Forum
February 24, 2011



Percent GDP Growth

	2008	2009	2010	2011
World	1.7	-1.9	3.9	3.5
Latin America	4.2	-2.3	5.9	4.4
USA	0.0	-2.6	2.8	2.9
Canada	0.5	-2.5	3.0	3.2
UK	-0.1	-4.9	1.8	1.8
Japan	-1.2	-6.3	2.4	2.1
China	9.6	9.1	10.5	9.8
India	5.1	6.8	9.1	8.1

China: Growing Market Dynamics bring growing opportunities

- Population 1.3 billion
- Rapid rise in incomes → Changes in diets
- Middle class to grow to 700 million, 75% Urban
- Per capita income:
 - TODAY \$5,000
 - SOON \$10,000 - \$40,000

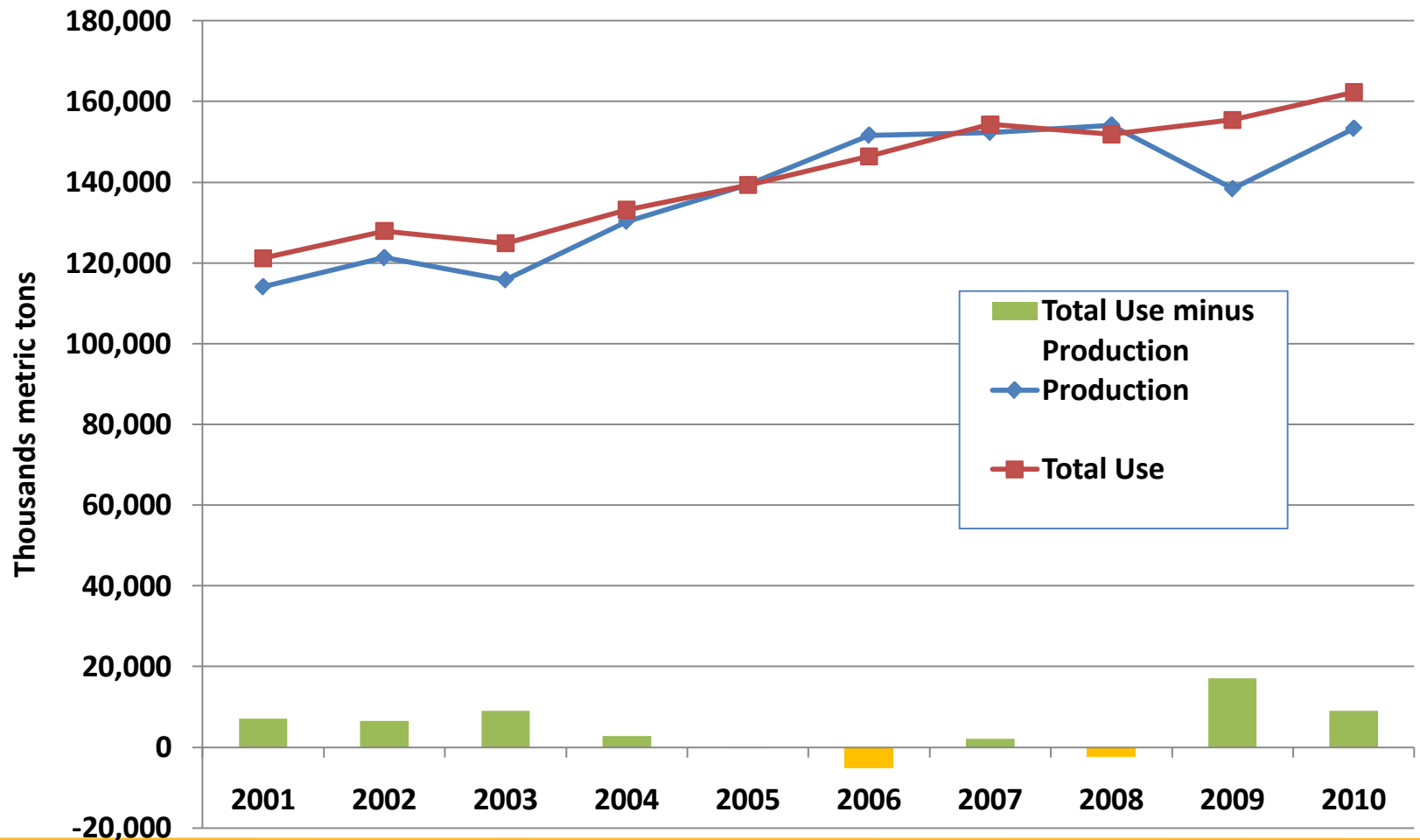
China in World Agriculture

- #1 producer of cotton, rice, pork, peanuts, numerous fresh fruits, milk
- #2 producer of corn
- #1 importer of soybeans, cotton

China -Transition and Uncertainty

- Food security concerns
- Lack of supply/demand information
- Shift from self-sufficiency policy, net exporter to net importer
- Declining corn stocks
- Food price inflation

China Corn Consumption v. Production



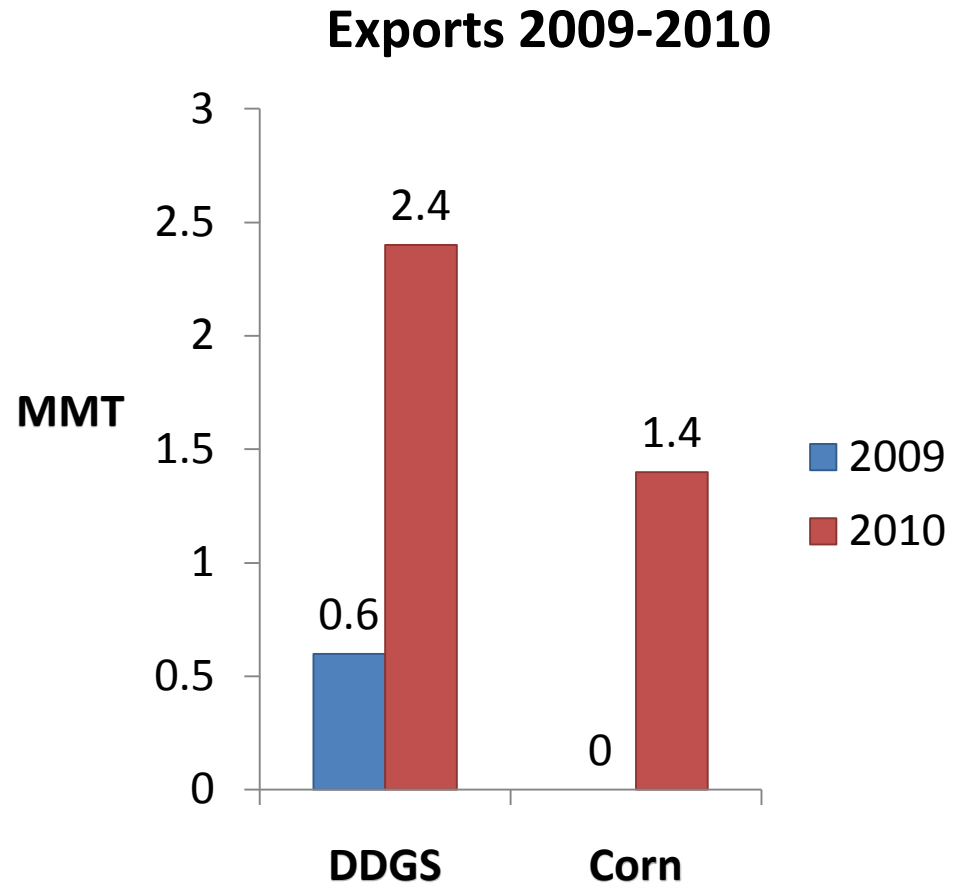
China Import Trends

CHINA CORN & DDGS

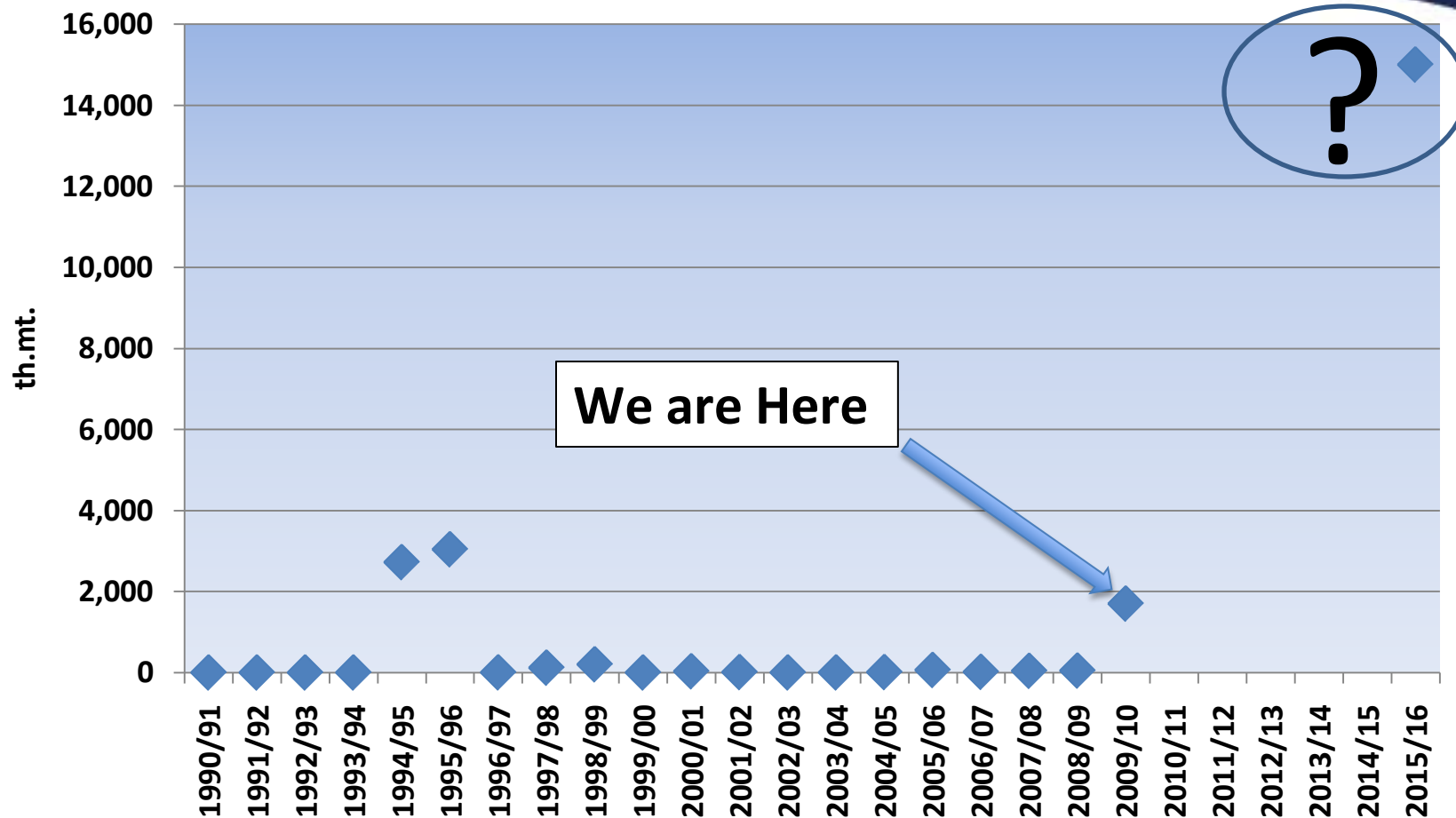
USGC in the market since 1982

Exported 2.4 MMT DDGS to China

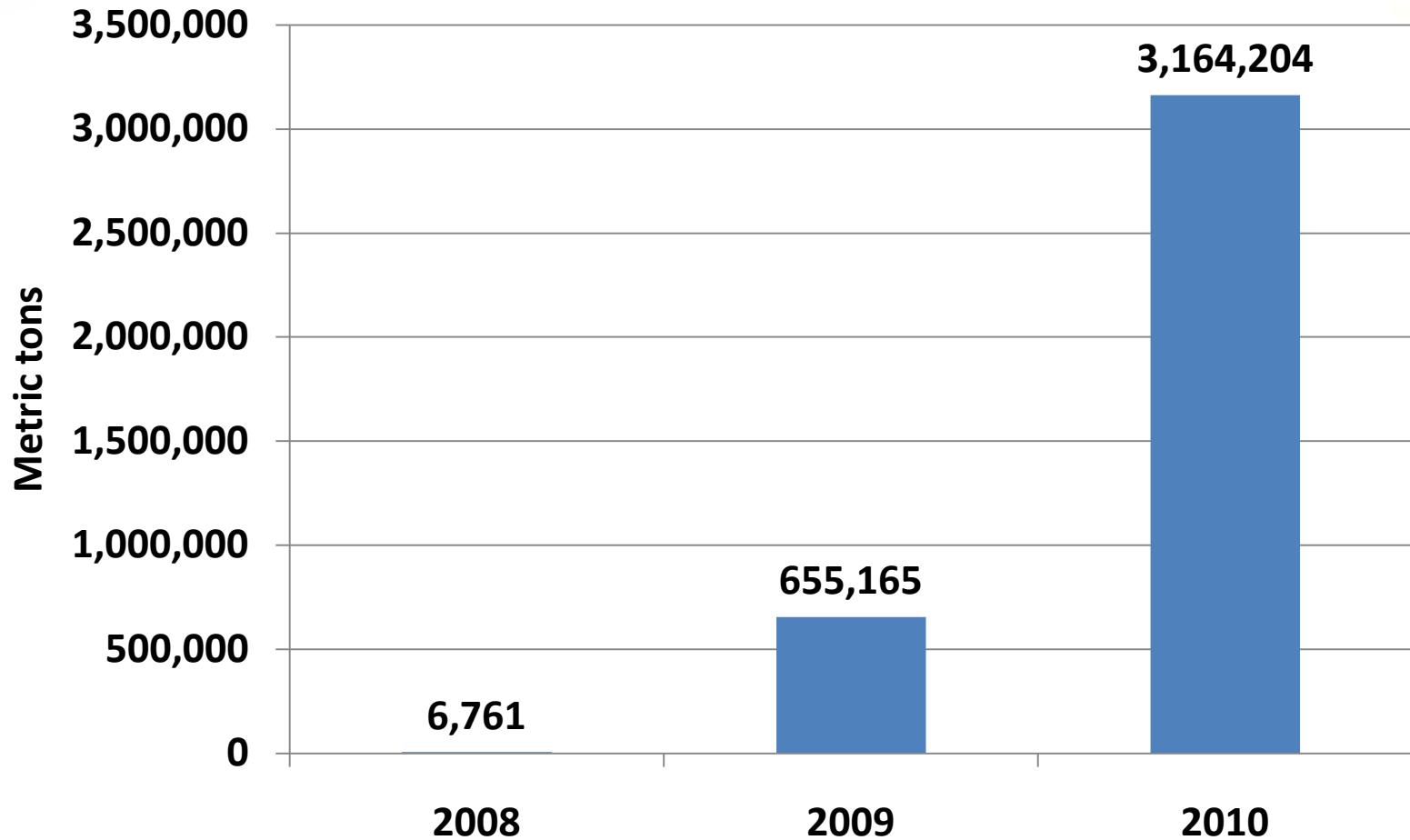
First significant purchases of corn since 1995



China Corn Import Outlook

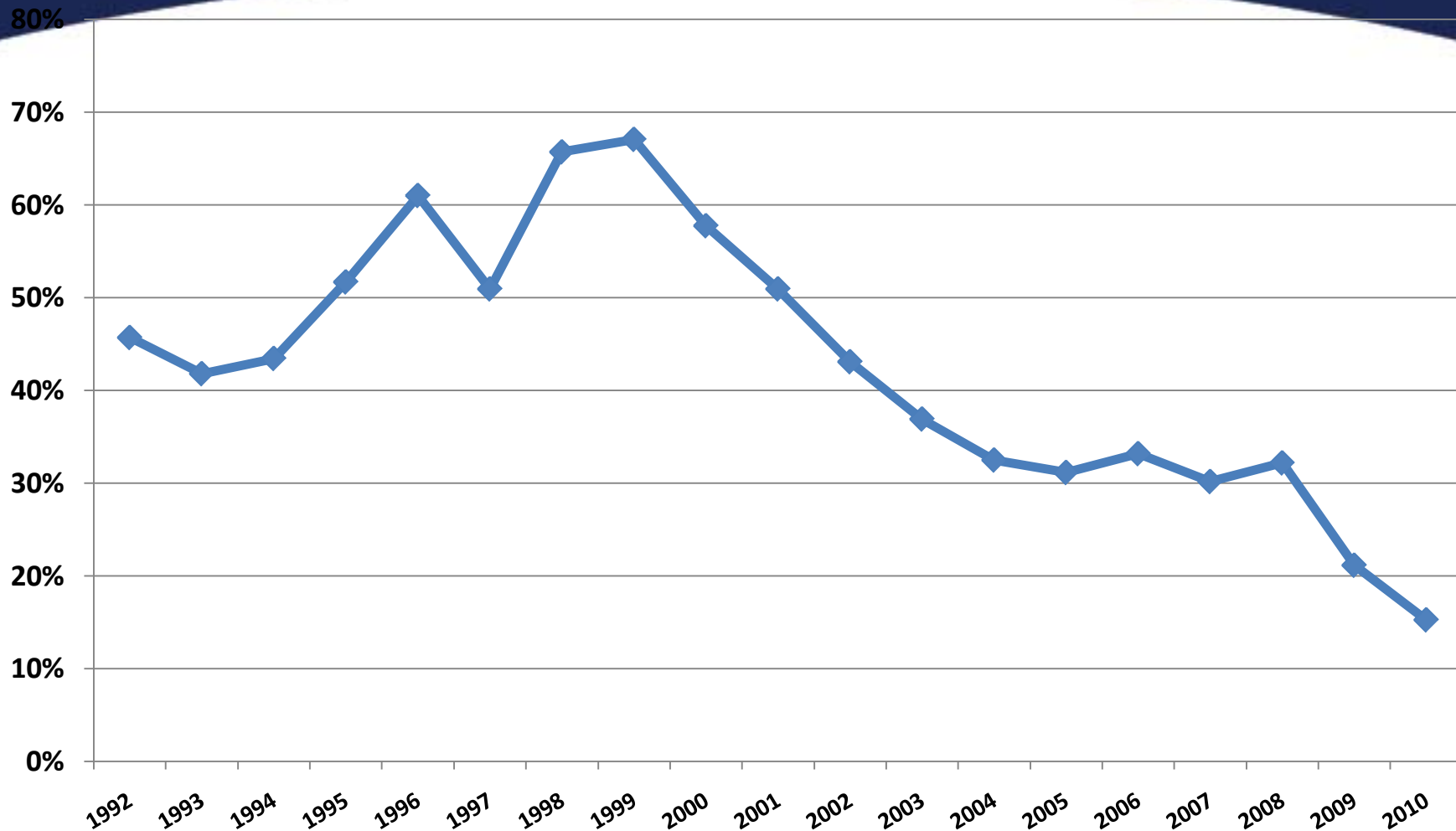


China DDGS Imports (Jan-Dec)



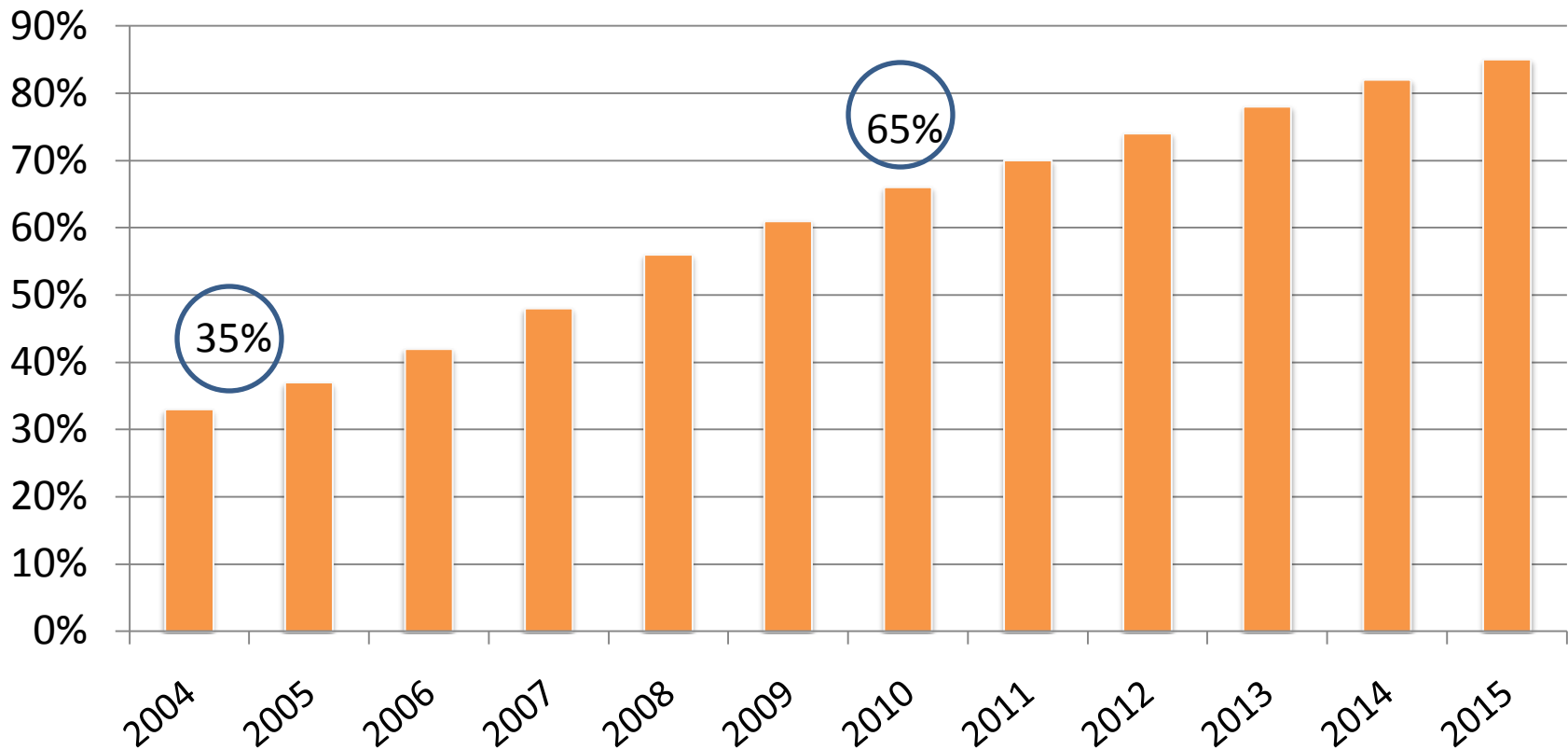
China Corn Stocks to Use

Private estimates



Commercial Hogs Consume Grains

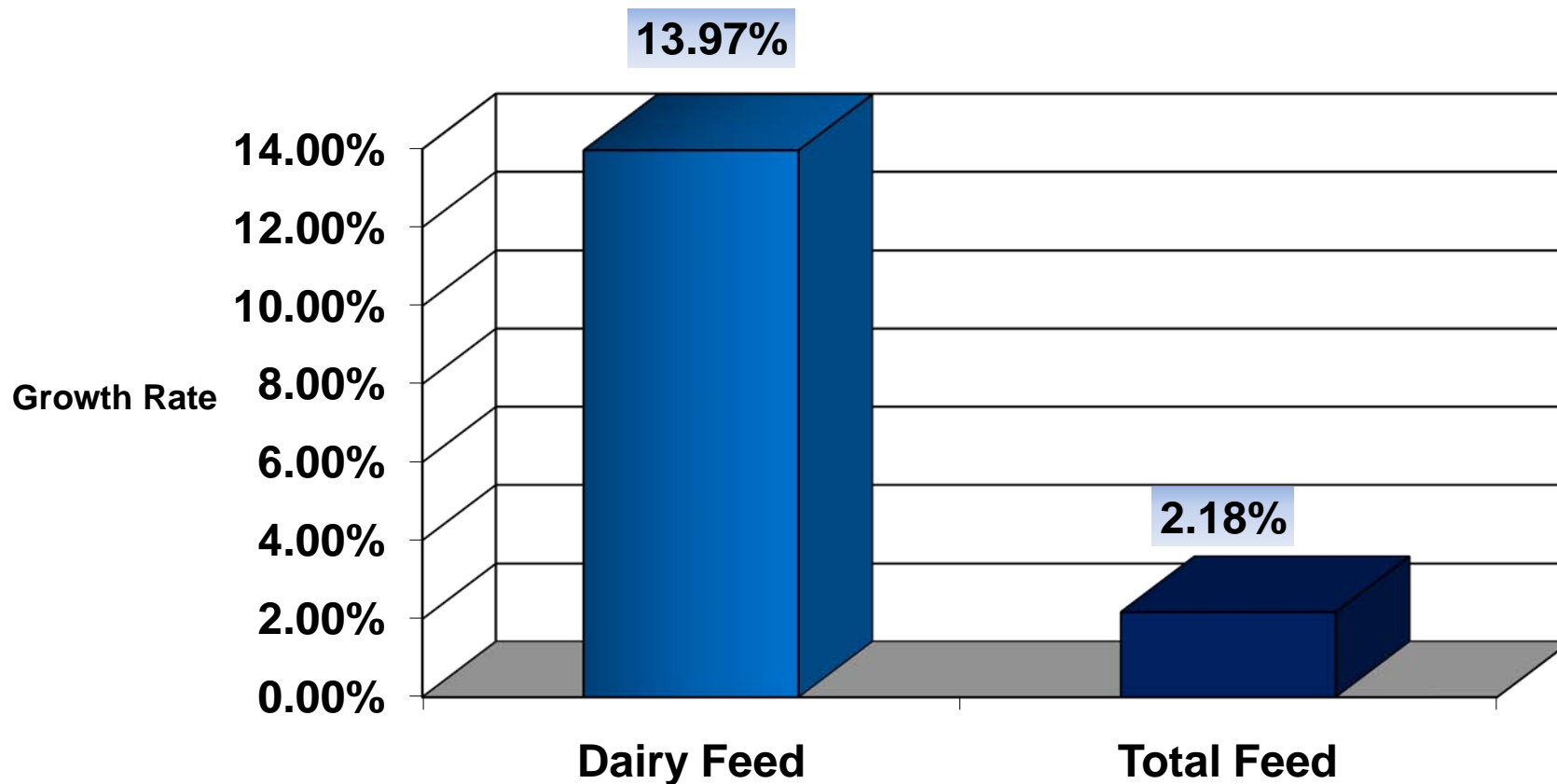
Percent of Hogs in Commercial Production Facilities



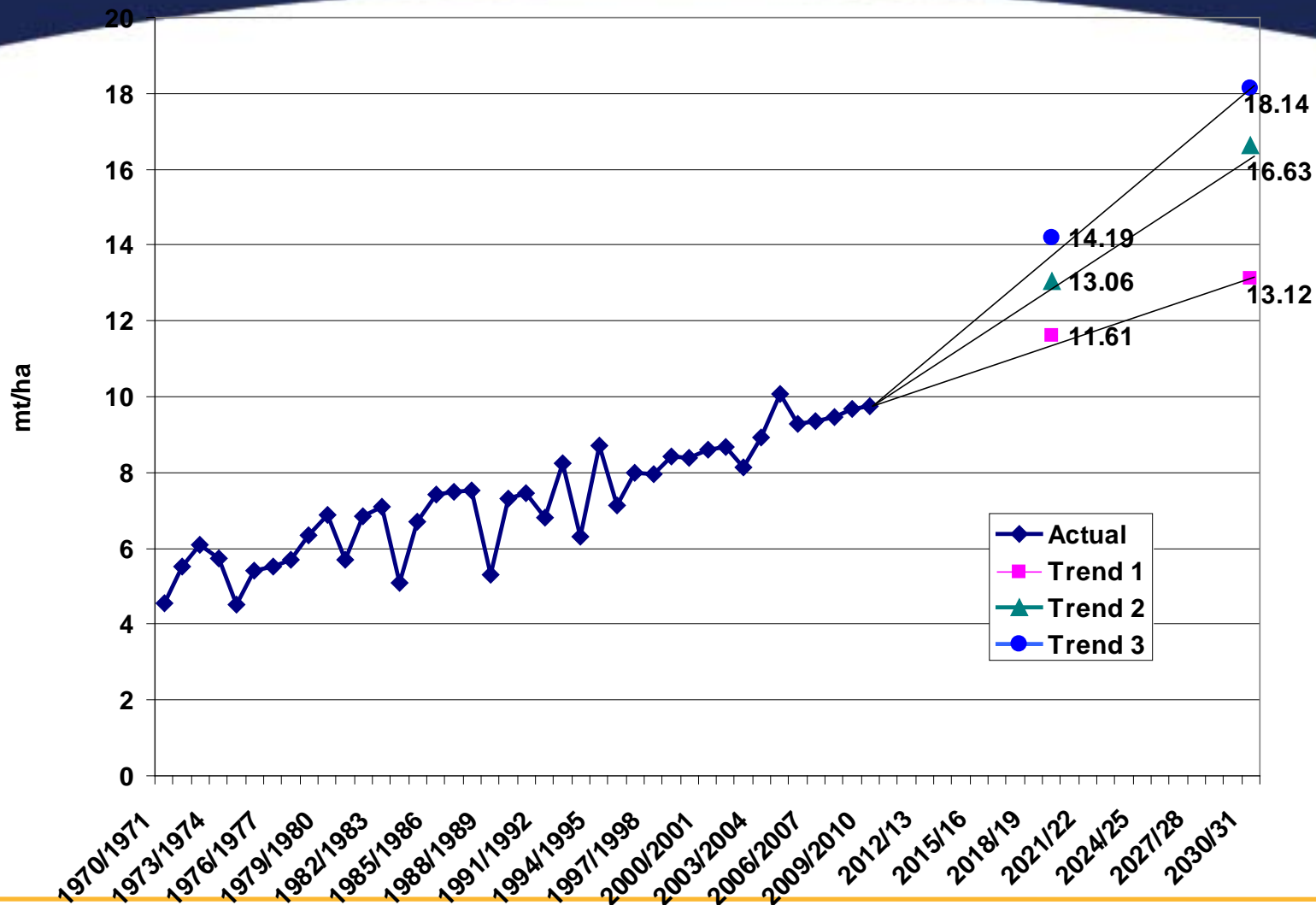




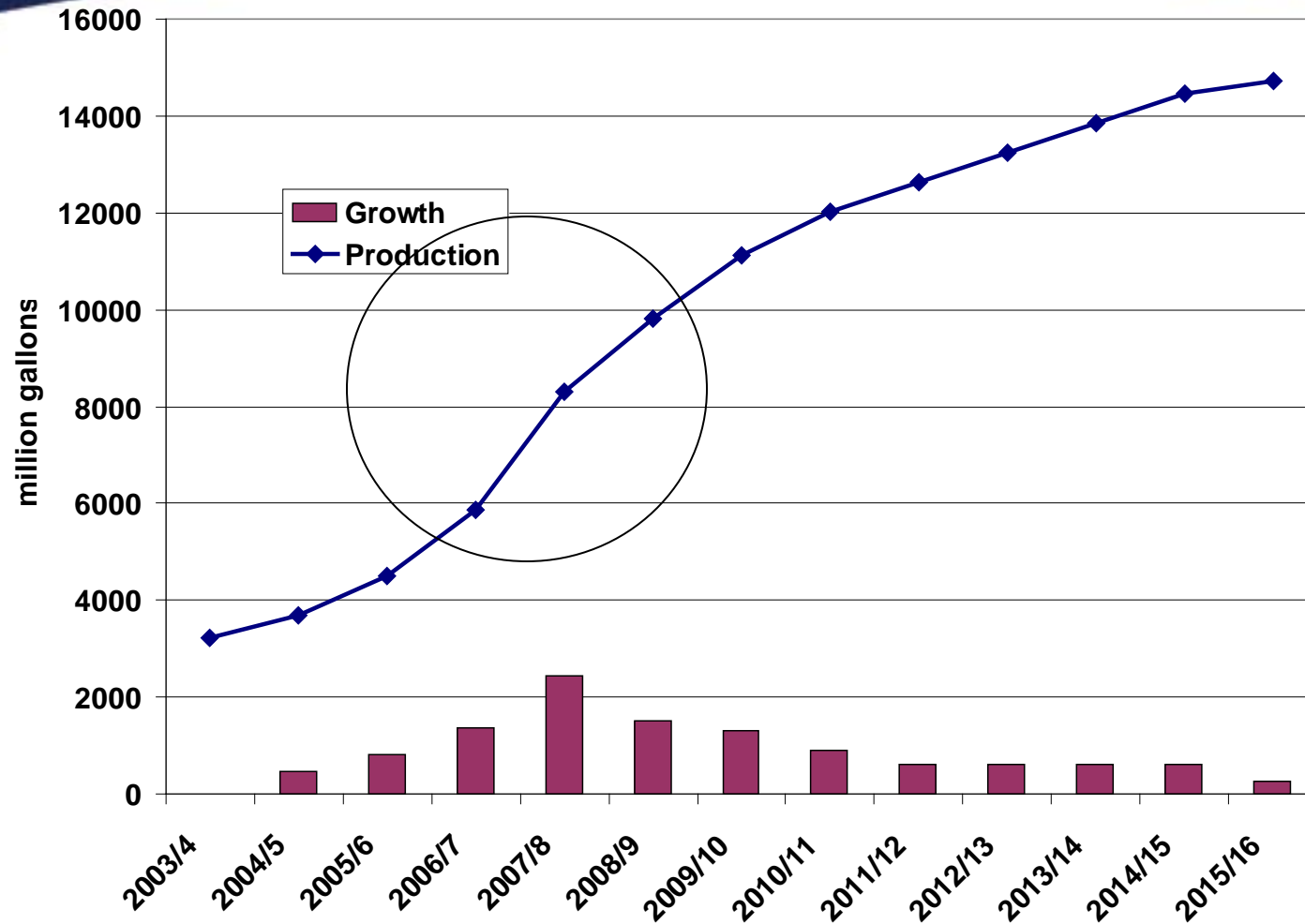
Growth of dairy feed is faster than swine, poultry and beef cattle



U.S. Corn Yield Projections



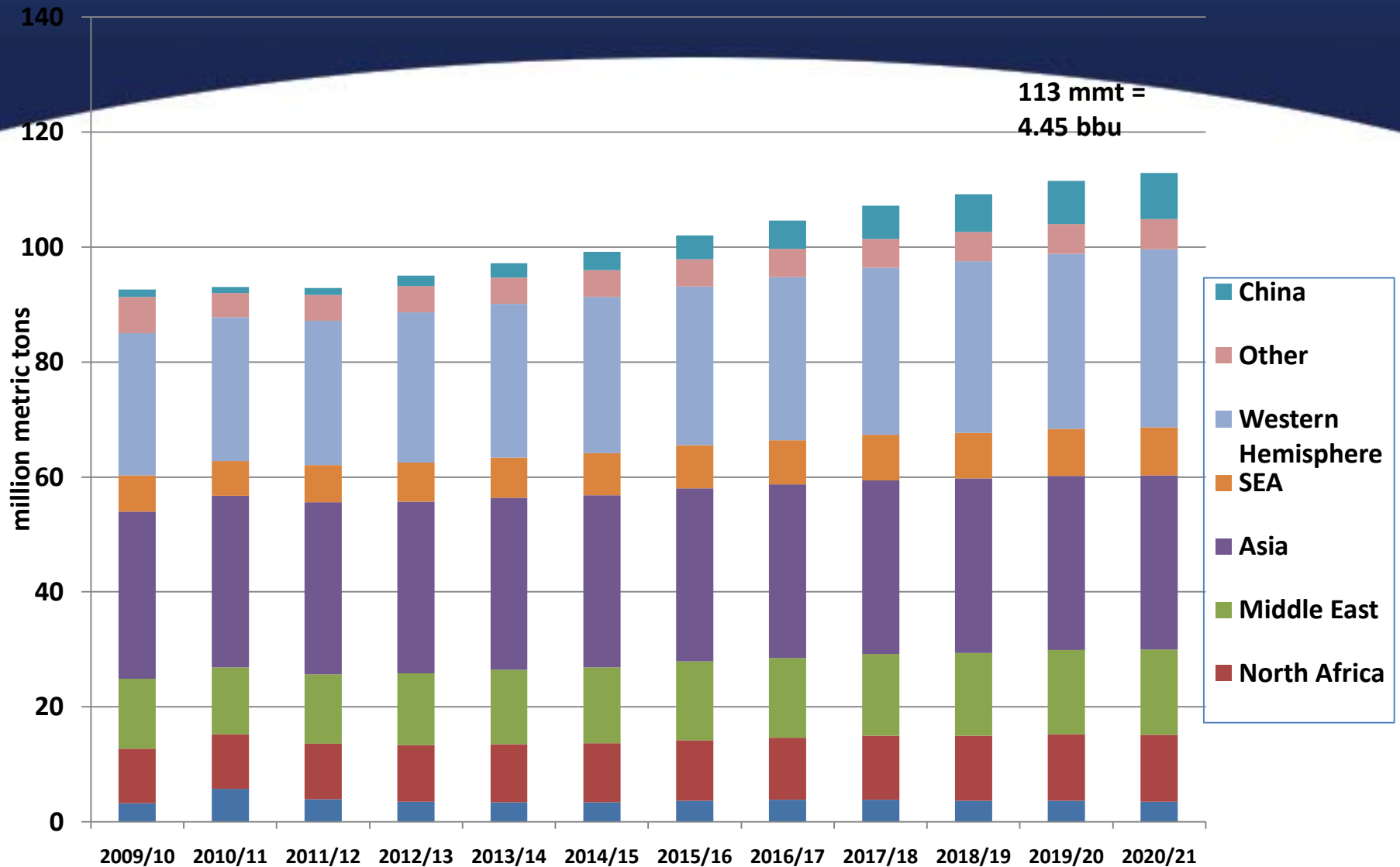
U.S. Ethanol Production



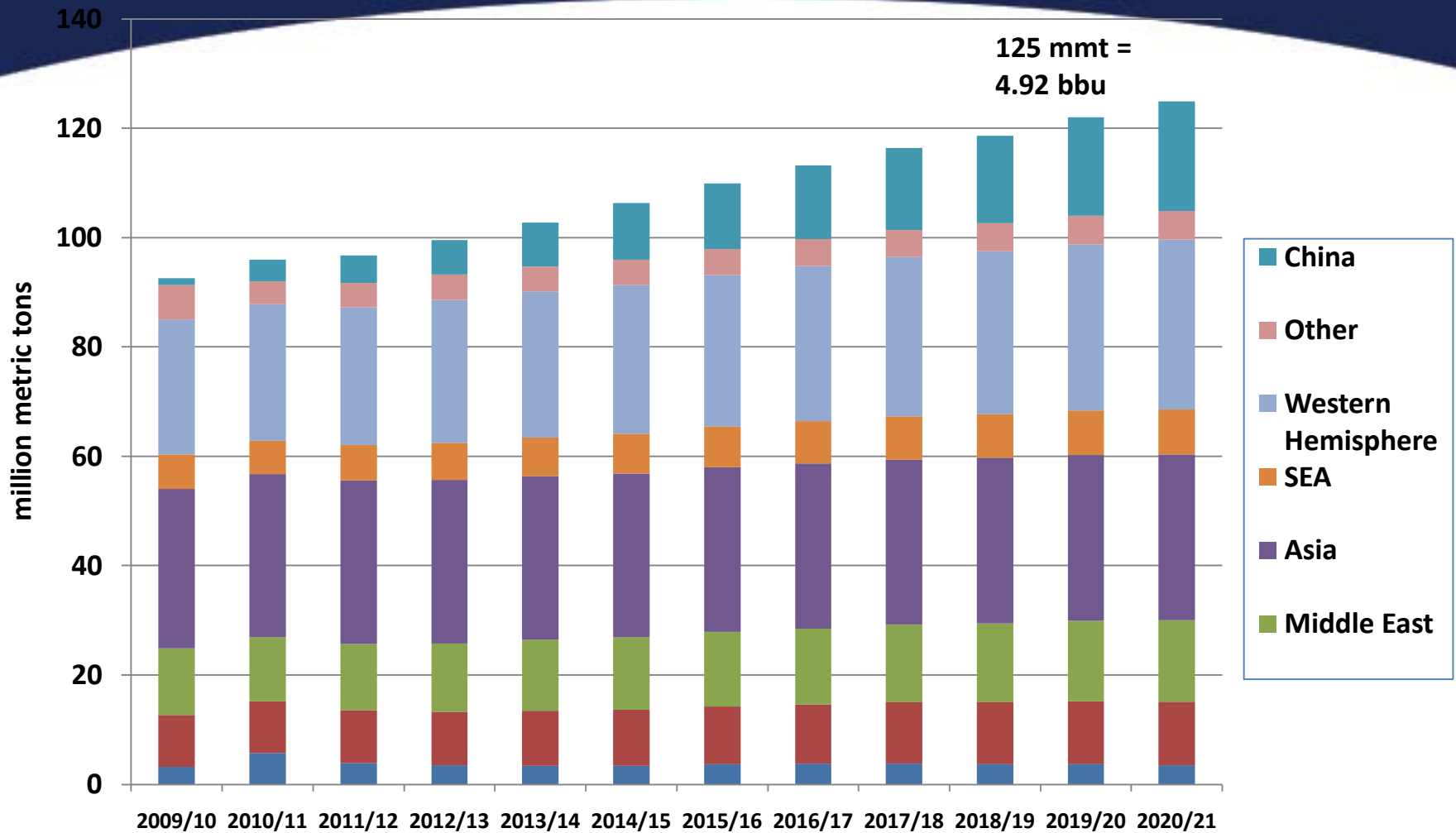
U.S. corn producers' commitment

- Increase quality and timeliness of market information
- Increase production to meet export needs
- We never close. Exports available every day.
- Continue to innovate, adapt technology.
- Sustain infrastructure to meet world demands.

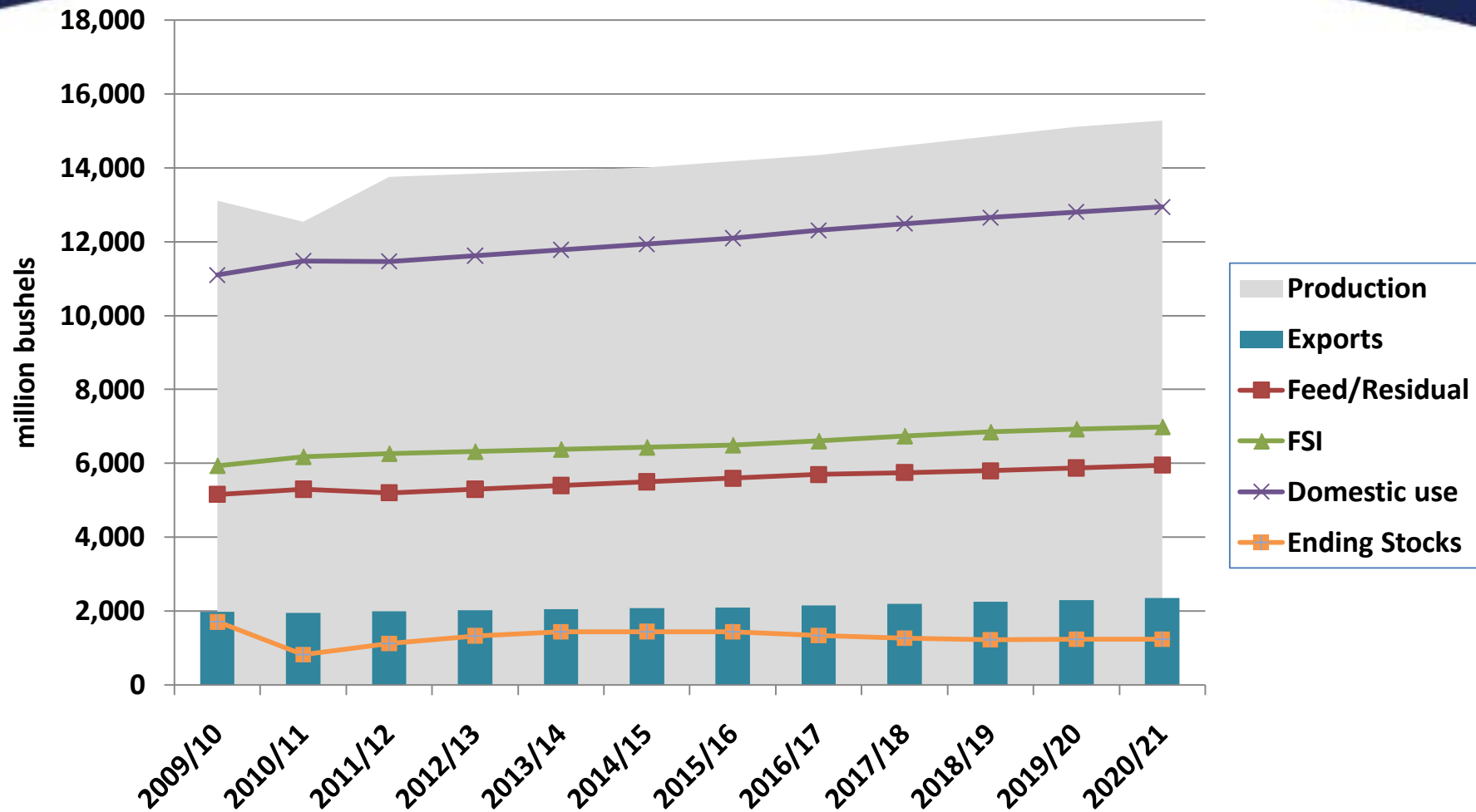
USDA Import Projections



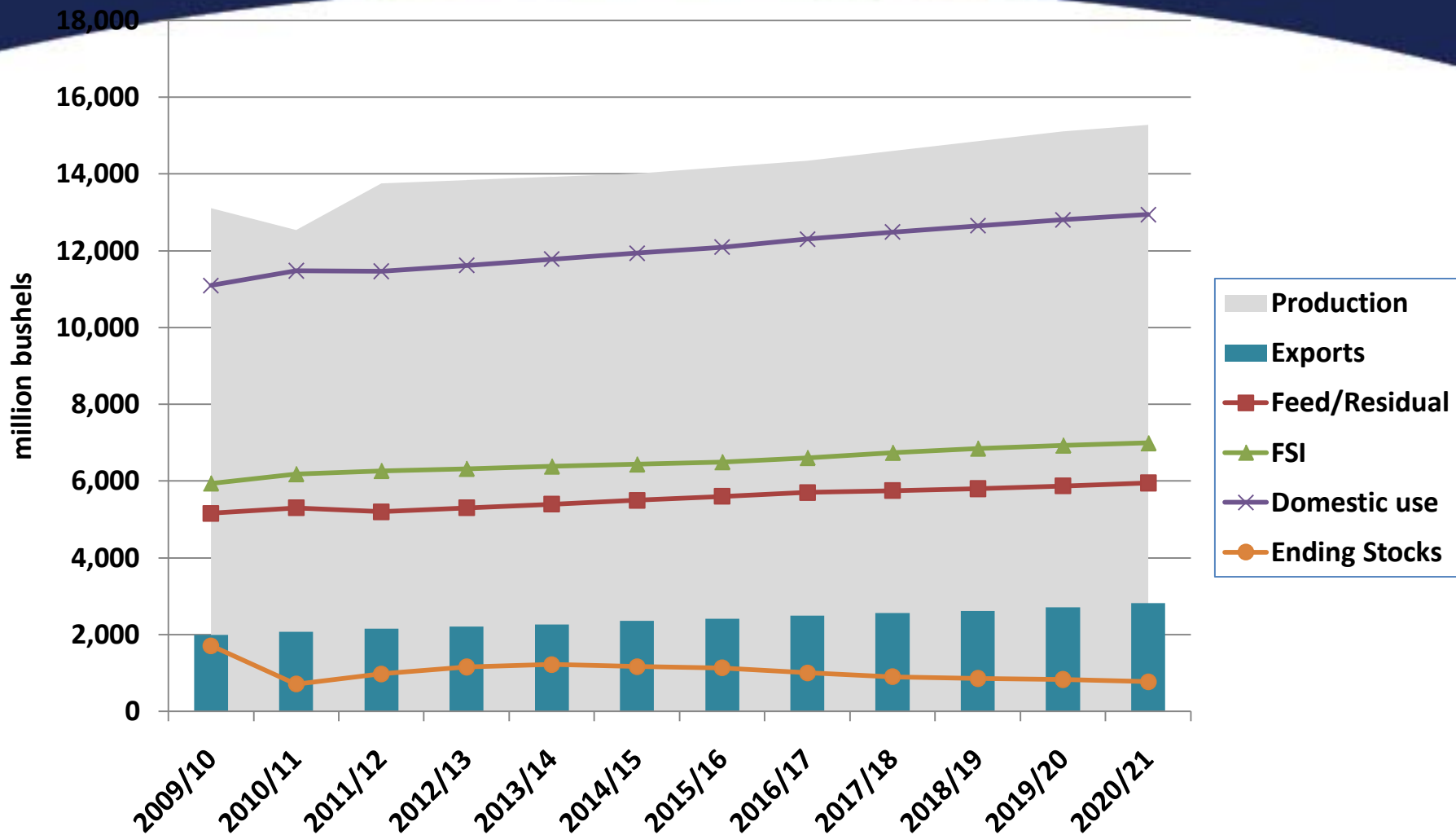
China Possible



US Corn Outlook



Corn outlook plus China



Concluding Thoughts

- How much will corn will China import
- How much will China's corn demand impact US stock to end/use ratio
- Impact on corn prices
- What about DDGs
- Is the US prepared for the impending wave of demand
- How will China manage transition to net importer?

Thank You



Developing Markets | Enabling Trade | Improving Lives