

MARKET SNAPSHOT: CHINA



CHINA
Greater China Region

COUNTRY STATS

POPULATION (2023):

1.4 billion (Urbanization 65.2%)

POPULATION (2035):

1.2 billion (Urbanization 75%)

GDP (2023):

\$18.5 trillion

ECONOMIC GROWTH: 5.2%

PER CAPITA INCOME (2023):

\$13,160

As the second largest economy in the world, China is the top importer of U.S. Soy. China leads the world in the production of feed, pork, eggs, aquaculture, edible oil and soy food. It is also the world's second-leading broiler producer.

U.S. Soy has been collaborating in China since 1982.

MARKET STATS

Soy Usage by Sector 2022 (Est. growth by 2030)

| | | | |
|-------------------------------|--------------------|--------------------|-----------------|
| Animal Protein (total) | 92.27 MMT (8.47%) | Aquaculture | 53.94 MMT (10%) |
| Pork | 55.41 MMT (7%) | Oil | 17.94 MMT (8%) |
| Poultry | 24.43 MMT (10.50%) | Soy food | 17.33 MMT (10%) |
| Cattle & Sheep | 12.43 MMT (11%) | | |

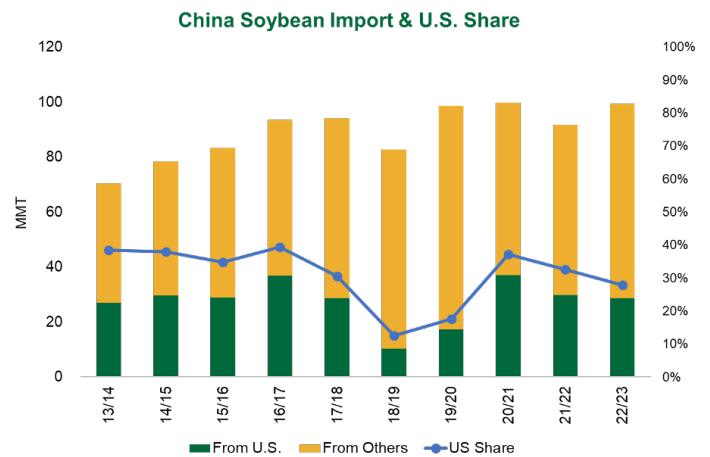
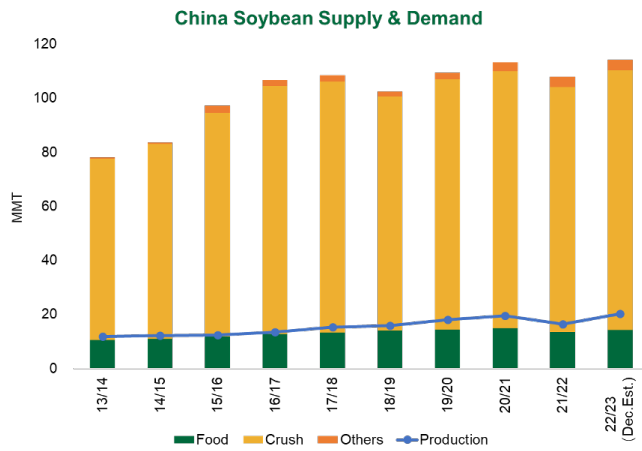
MMT=Million Metric Tons

SOY MARKET SIZE MY 2022/23*

| Product | Total Volume | U.S. Soy Volume | U.S. Soy % Share |
|--|--------------|-----------------|------------------|
| Soy Complex (whole soybean, meal, oil) | 112.47 MMT | 27.11 MMT | 24% |
| Whole Bean | 19.46 MMT | 2.08 MMT | 11% |
| Soybean Meal & Cake | 74.87 MMT | 20.23 MMT | 27% |
| Soybean Oil | 18.14 MMT | 4.80 MMT | 26% |
| Soy Food | 15.96 MMT | 0.08 MMT | 0.5% |

MMT=Million Metric Tons

* General Administration of Customs of the People's Republic of China (GACC) and Ministry of Agriculture and Rural Affairs (MARA), released December 2023



STRENGTHS

- U.S. Soy Sustainability Assurance Protocol (SSAP) certification enables sustainability practices in animal protein, aquaculture and full fat soy processing sectors.
- USSEC is recognized as a leader with vision, innovation and solutions to address customer challenges.
- USSEC is regarded as a successful marketing organization for creating and expanding the demand for U.S. Soy in China and is established as a credible industry partner for its technical and trade services.
- Customers recognize U.S. Soy's consistent quality, efficient logistics, market transparency and verified sustainability.
- The China-U.S. Soy Value Chain Innovation Center (SIC) was established in 2023. Professional training sessions, technical experiments, demonstrations and promotion of U.S. Soy solutions under the SIC framework further differentiates, elevates and attains market access for U.S. Soy and its economic and social benefits.

OPPORTUNITIES

- Continuing urbanization, rising per capita income and stable economic policy drive GDP growth.
- Growing demand for healthy and quality foods and increasing demand for precision animal nutrition create opportunities for U.S. Soy.
- Awareness of carbon footprint for feed ingredients is increasing as required by the government's commitment to carbon peak/neutrality.
- Needs are emerging for marketing differentiation tools such as traceability and sustainability certification.

CHALLENGES

- Soy pricing is determined on crude protein levels.
- The industry still has a general lack of knowledge of the true value of essential amino acids, oxidation stability index and sustainability.
- Industry policies trend toward increasing self-sufficiency.
- Government-backed industry efforts work to reduce soy inclusion rates in swine, poultry and fish diets.

Sources:

- The World Bank
- China Statistical Yearbook, 2022
- China Ministry of Agriculture and Rural Affairs
- China Statistical Bulletin, Nov. 2023
- Shanghai JC Intelligence Co., Ltd.
- Data before 2022 from National Grains & Oils Information Center
- General Administration of Customs of the People's Republic of China (GACC)
- Statista
- International Monetary Fund