Will China Shift From Corn Exporter to Importer?

- Widely expected, but jury is still out
- If so, has major implications for U.S. agriculture
- Very positive for corn growers
- Would require U.S. crop rotation adjustments
- Implications: Less positive for U.S. livestock producers & ethanol
- Major implications for input suppliers to agriculture
Figure 1. World Corn Exports, 2002-03
China Net Soybean Exports & Imports from U.S.
China Soybean & Other Oilseed Production

Soybeans
Other Oilseeds

Mil. Metric Tons
0 5 10 15 20 25 30 35 40 45

China Soybean Acres & Yields

Bu./Acre

Mil. Acres

Bu. Per Acre

Mil. Acres

Figure 5. China's Net Corn Imports, 1970-2003 Marketing Years & Projected 2004

Bars above zero are imports, below indicate net exports.
Figure 7. Ten-Year China Net Corn Export Projections, FAPRI and USDA, 2004
Figure 6. China Gross Corn Imports & USDA Projections
<table>
<thead>
<tr>
<th>Marketing Year Beginning</th>
<th>October (early in season)</th>
<th>March (mid-way)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>+13%</td>
<td>+7%</td>
</tr>
<tr>
<td>2002</td>
<td>-38%</td>
<td>-21%</td>
</tr>
<tr>
<td>2001</td>
<td>-54%</td>
<td>-65%</td>
</tr>
<tr>
<td>2000</td>
<td>-45%</td>
<td>-18%</td>
</tr>
<tr>
<td>1999</td>
<td>-50%</td>
<td>-20%</td>
</tr>
<tr>
<td>1998</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>1997</td>
<td>-59%</td>
<td>-19%</td>
</tr>
<tr>
<td>1996</td>
<td>-88%</td>
<td>-75%</td>
</tr>
<tr>
<td>1995</td>
<td>596%</td>
<td>552%</td>
</tr>
<tr>
<td><strong>Avg.</strong></td>
<td><strong>-36%</strong></td>
<td><strong>-21%</strong></td>
</tr>
</tbody>
</table>

Data Source: WAOB web site: http://usda.mannlib.cornell.edu/
Figure 3. China corn yield & area harvested

Source of data: USDA PS&D

(2004 Trend yield & 2003 Harv. A. = 141.5 Mil. Tons
USDA 8/12/04 projection = 120 mil. Tons)

Bad Weather halts yield uptrend
Potential Gain in China Corn Production with U.S. Yields vs. China Exports

Potential China Corn Increase with U.S. Ylds

China Corn Exports

Mil. Bu.

Corn in China, June 2000
Figure 2. China Corn Carryover Stocks With Varying Revision Dates & Comparison With U.S. Stocks

U.S. Corn Carryover Stocks
Figure 8. China Broiler Meat production  Source: USDA, PSD
Figure 9. China Swine Numbers
Source: USDA, PSD
### Corn Export Sales
#### 11/11/04

<table>
<thead>
<tr>
<th>Region</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>-8%</td>
</tr>
<tr>
<td>Africa</td>
<td>-7%</td>
</tr>
<tr>
<td>Taiwan</td>
<td>-37%</td>
</tr>
<tr>
<td>Other Asia</td>
<td>+47% (+20 mil. Bu.)</td>
</tr>
<tr>
<td>W. Hemisphere</td>
<td>-2%</td>
</tr>
<tr>
<td>Unknown</td>
<td>-4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-6%</td>
</tr>
</tbody>
</table>

**Chg. Vs. ’95**
-39%

**Chg. Vs. ’96**
-20%

**Needed sales:** 1.3-1.6 mil. Tons/wk.
Take-Home Points

• Chinese corn exports: depend heavily on supply side
• Yields have been well below trends for 4 years, probably due to drought
• Long-term potential depends on speed of new technology adoption
• Forecasting models of China exports have very poor track record
• If China stops exporting corn, implications for U.S. agriculture are large
http://www.econ.iastate.edu/faculty/wisner/