

4.6.5 China

4.6.5.1 Demographics

In 1985, production was dominated by more than 150 million small-scale poultry farmers, each keeping a few birds to supplement other farming activities. At the time, there were virtually no large-scale operations. Since then, there has been a rapid increase in intensification, with a trend towards fewer, larger, privately owned operations. Between 1996 and 2005, some 70 million small-scale poultry farmers left the sector, mostly in the more economically developed east of the country and around major cities. Over the same period, large-scale operations (with annual output of more than 10 000 birds) expanded their share of production from about one-quarter to one-half.

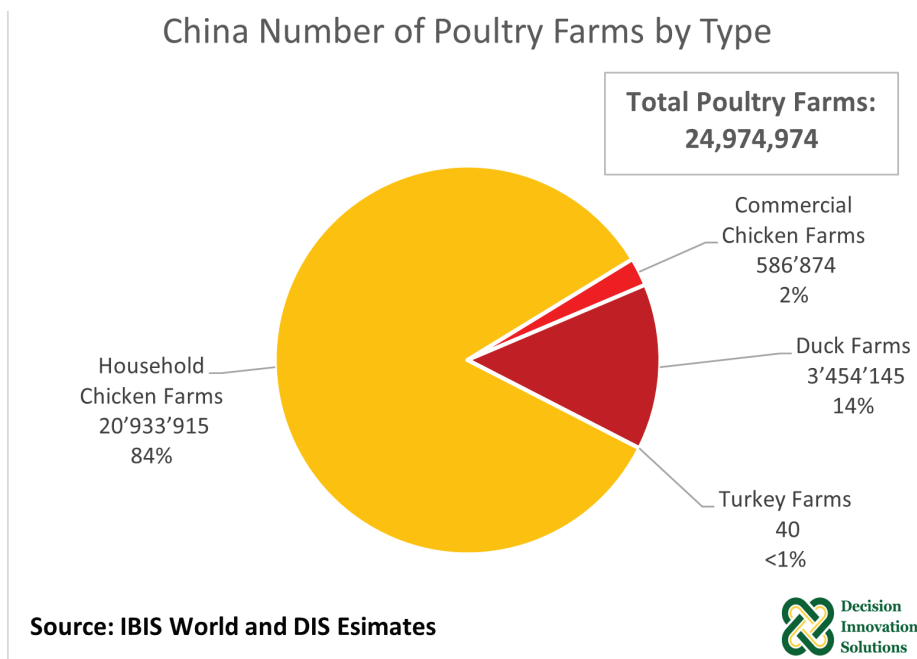


Figure 215. China number of poultry farms by type

Today, the commercial broiler market is dominated by large, integrated companies that control the entire production and marketing chain: feeding, breeding, fattening and processing. One large, integrated operation in Fujian Province, for example, produces 50 million broilers a year and employs 4 000 employees – one job for every 12 500 birds produced annually. Extrapolating this ratio to the national level suggests that the integrated broiler sector provides around 800 000 jobs (Bingsheng and Yijun, 2008).

Between 1985 and 2005, the proportion of farming households that kept poultry fell from 44% to less than 14%. However, more than 34 million rural households still keep backyard poultry, and poultry remain an important source of income and food for poor households, especially in the less-developed western part of the country. The number of household poultry producers continues to decline and a current estimate is that 10% of broiler production in China is by household producers.

However, backyard producers play a continuing reduced role in meeting burgeoning market demand. As food marketing channels extend their reach ever further into the rural areas, and non-farm employment options increase, the need for rural households to keep poultry is declining (Bingsheng and Yijun, 2008).

It is estimated that in 2020, there were about 25 million poultry farms in China. About 84%, or 20.9 million poultry farms were household or micro-producer chicken farms (Figure 215). These micro-producer farms contained an estimated 23 chickens, on average. The total number of duck farms was estimated at 3.5 million or 14% of poultry farms in China. The average size of these duck farms was 200 head. Commercial chicken farms represented the remaining 2% or 586,874 poultry farms. The average number of chickens per commercial farm was 7,442 head. FAO estimates that there were 85,000 turkeys in China with most of those on commercial farms.

Ibisworld.com reports that they expect there to be 529,231 poultry farming businesses in China in 2022. They report an average annualized negative 2% growth rate in poultry businesses in China for the period 2017 – 2022.

Both poultry production and consumption have had an upward trend from 2010 to 2021 (Figure 216). China's poultry production was about 24.0 million metric tons in 2021, which was up 45% from the level in 2010. China's poultry consumption in 2021 (25.0 million metric tons) was 1.5 times higher than the volume consumed in 2010.

For the most part, the level of poultry produced has been lower than the level of poultry consumed; therefore, poultry imports from several countries, particularly Brazil and the USA, have complemented domestic poultry consumption in China. The USDA FAS notes the shift from pork consumption to poultry meats such as chicken/duck, and the expansion of chicken-related fast-food restaurants as drivers in increased poultry consumption¹⁵. In 2021, poultry production was down about 4% from poultry consumption in China.

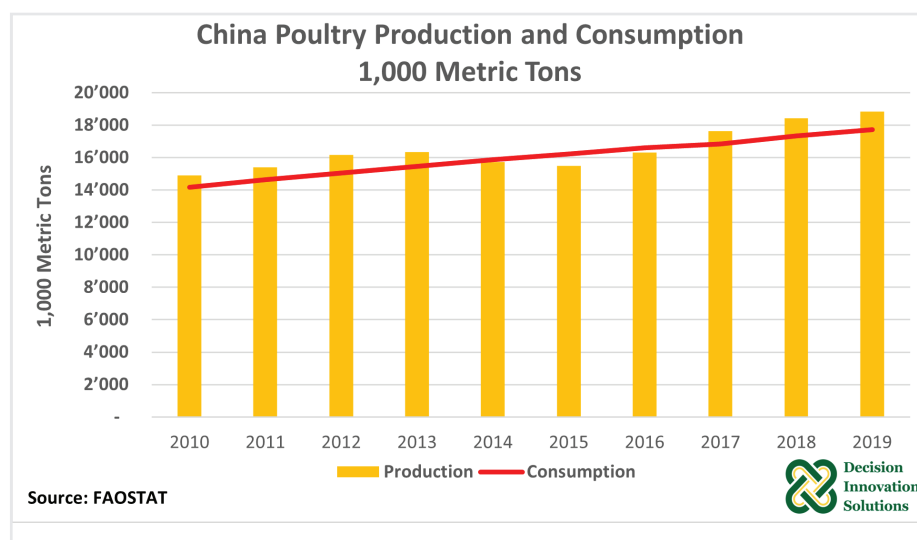


Figure 216. China poultry production & consumption

CHINA POULTRY STOCKS, SLAUGHTER, AND PRODUCTION				
1,000 head	Chickens	Ducks	Turkeys	Total
Stocks	4'748'080	682'946		5'431'026
Producing Animals/Slaughtered	9'287'900	2'173'330		11'461'230
Production (1,000 MT)	15'144	3'431		18'575

Sources: FAO, 2020

Table 63. China poultry stocks, slaughter & production

China is the second largest chicken producer in the world. The estimated total number of China's poultry stocks was more than 5.4 billion head in 2020 (Table 63). Nearly 4.8 billion head of chickens, and 682.9 million ducks comprised the total poultry stocks. In 2020, China's poultry slaughter totaled 11.5 billion head. Chicken slaughter was estimated at 9.3 billion head. Duck slaughter was an estimated 2.2 billion head. Poultry production included 15.1 million metric tons of chicken and 3.4 million metric tons of duck.

4.6.5.2 GDP and Value of Production

The GDP in China was valued at \$14.7 trillion in 2020. An estimated 94% of the total GDP was derived from non-agricultural sectors. Agricultural production represented 6% of the total GDP with crop production valued at \$681 billion and 5% of the total GDP. The share of red meat production was valued at \$174.7 billion. Chicken meat production was valued at \$27.8 billion, duck production at \$3.6 billion, and turkey production at \$4.5 billion (Figure 217).

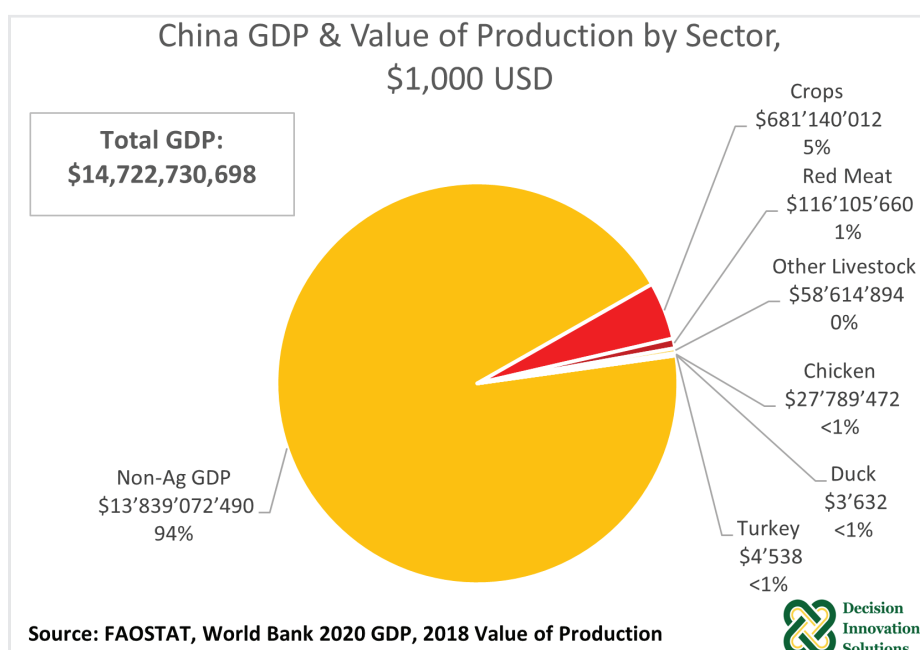


Figure 217. China GDP & value of production by sector

15 USDA FAS, Poultry and Products Annual- People's Republic of China, Sept. 31, 2029

The combined (direct and indirect) effects of agricultural production in China are estimated to be \$2.1 trillion. Of this amount, \$82.7 billion comes from the poultry industry, with chicken meat production being responsible nearly all of that amount. Agriculture receives a net subsidy of \$4.5 billion in taxes. The poultry industry is estimated to pay a net tax of \$8 million (Table 64).

ECONOMIC EFFECTS - CHINA (\$1,000 USD)				
	Direct	Indirect	Total	Taxes paid*
All agriculture	\$883'658'208	\$1'226'618'762	\$2'110'276'970	\$(4'496'905)
Livestock	\$202'518'196	\$281'118'442	\$483'636'638	\$(1'030'608)
Poultry	\$27'793'104	\$54'974'760	\$82'767'864	\$7'954
Chicken	\$27'789'472	\$54'967'576	\$82'757'048	\$7'953
Duck	\$3'632	\$7'184	\$10'816	\$1
Turkey	-	-	-	-

Source: FAOSTAT, OECD Input-Output Tables. *Taxes is equal to total taxes net of subsidies

Table 64. Economic effects - China

4.6.5.3 Labor

In 2020, China's labor force employed an estimated 792.4 million people (see Table 65). Of that total, nearly 439.6 million individuals were males, and 352.8 million were females.

More than 602.1 million individuals worked in non-agricultural sectors. Another 190.3 million worked in the agricultural sector. Of that total, 6.1 million individuals worked in poultry production.

AGRICULTURAL LABOR FORCE CHARACTERISTICS - CHINA			
	Total	Female	Male
Total Country Labor	792'401'719	352'848'259	439'553'460
Non-Agricultural Labor	02'074'513	270'091'895	331'982'618
Agricultural Labor	90'327'206	82'756'364	107'570'842
Total Non-Poultry Agricultural Labor	184'188'787		
Total Poultry Labor	6'138'418		
Chicken Labor	6'137'616		
Turkey Labor	-		
Other Poultry Labor	802		
		Wages (\$1,000 USD)	
Total Meat Processing Labor	4'937'000	\$6'934'790	
Livestock Processing Labor	3'983'325	\$5'595'204	
Poultry Processing Labor	953'675	\$1'339'586	

Source: ILO 2020, World Bank 2020, UNIDO Database, INDSTAT 4 2021, ISIC Revision 3

Table 65. Agricultural labor force characteristics - China

Meat processing labor in China accounted for 4.9 million jobs and \$6.9 billion in wages earned. Livestock meat processing was the largest share of meat processing with 4.0 million jobs and \$5.6 billion in wages earned. Poultry meat processing accounted for 953,675 jobs and \$1.3 million in wages earned.

4.6.5.4 Costs of Production

China's feed cost accounted for 67% of broiler total production cost in 2020. Eighteen percent of total broiler production costs was due to day-old chick costs, which was the second largest production cost in China. Next was health cost at 5% followed by labor at 3%. Transportation and building costs each was 2% of total production cost. General cost represented about 1% (see Figure 218).

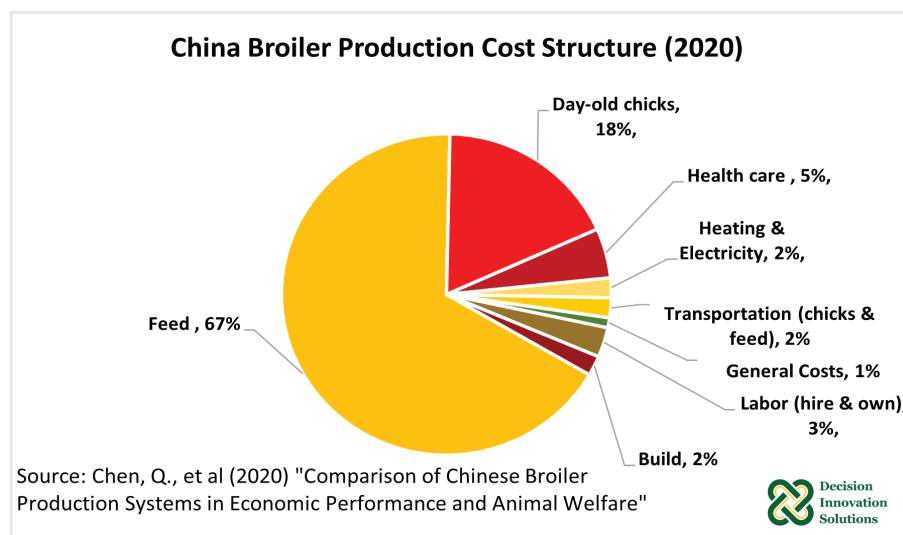


Figure 218. China broiler production cost structure

4.6.5.5 Trade

China exported about 428,401 MT of poultry meat valued at \$1.5 billion in 2020. Thirty eight percent of the poultry meat volume exported was shipped to Japan. Poultry meat exports to Japan were estimated at \$679.4 million (Figure 219 and Figure 220). Over 60% (\$913.8 million) of China's total value of poultry exported was made up by prepared poultry products.



Figure 219. China top 10 poultry exports, trade value

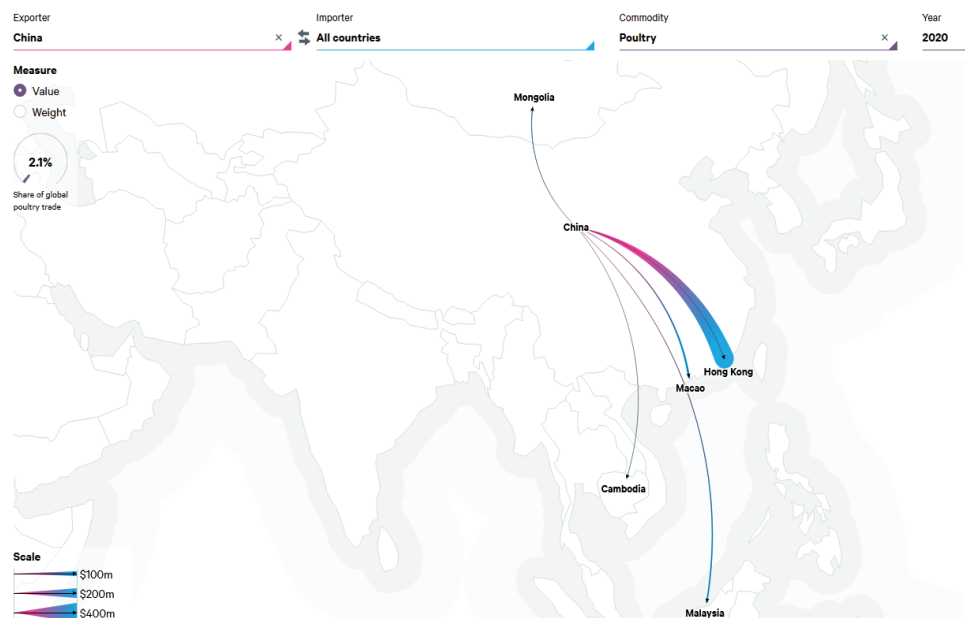


Figure 220. China poultry export flows

China Top-10 Poultry Imports Trade Value (\$1,000 USD)

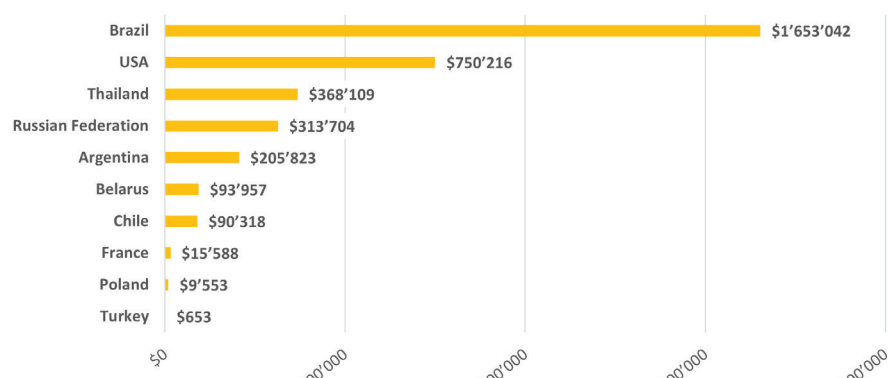


Figure 221. China top 10 poultry imports, trade value

In 2020, China's largest supplier of poultry meat was Brazil with an estimated value of \$1.7 billion and 47% share of the poultry import market in China. The USA followed with \$750 million and 21% share of the poultry import market. In addition to chicken meat, the USA primarily exports chicken paws to China¹⁶. China imported \$368.1 million in poultry meat from Thailand in 2020 (Figure 221 and Figure 222).

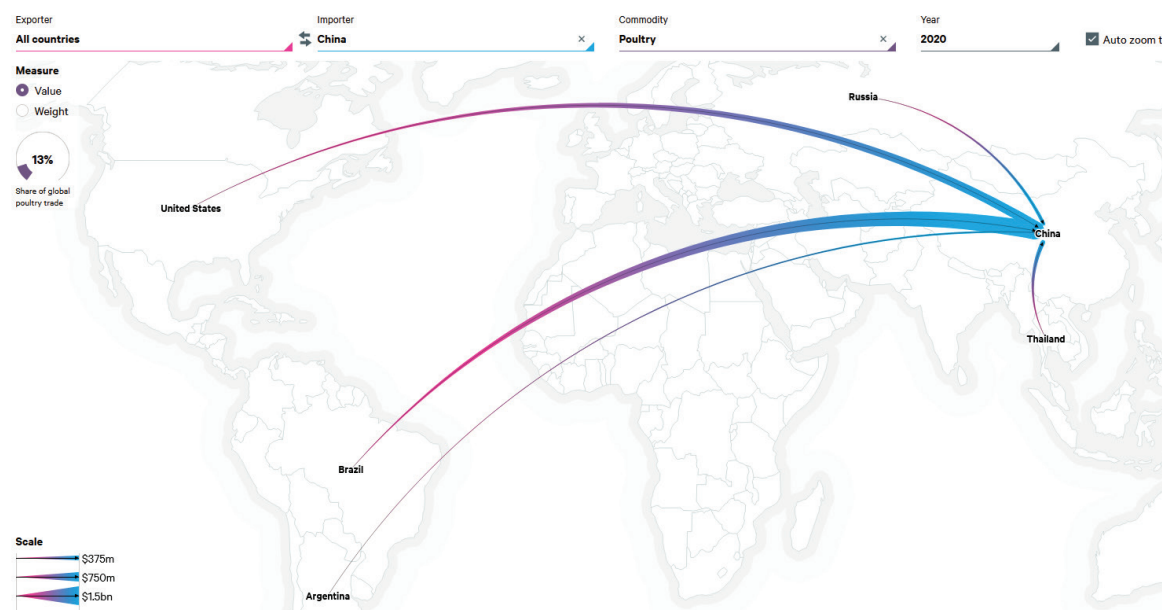


Figure 222. China poultry import flows

¹⁶ USDA FAS, Poultry and Products Semi-Annual- People's Republic of China, Jan. 28, 2022