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Report Highlights:

Market access for U.S. poultry remains constrained as the People's Republic of China (PRC) is not implementing relevant annexes for poultry trade specified in the Economic and Trade Agreement (i.e., Phase One Agreement). Post maintains its 2025 forecast for slightly higher chicken meat production and consumption compared to 2024. Expansion in white broiler production is happening at a slower rate than previously estimated. Post forecasts that chicken product imports in 2025 will remain lower than in 2024, mainly due to increased domestic production and flat consumption. Post expects demand for U.S. chicken paws to remain stable in 2025 even with higher domestic supplies and despite HPAI-related restrictions limiting imports.

EXECUTIVE SUMMARY

The forecasts and revised estimates provided in this report are issued by FAS China and are not official USDA data. FAS China provides this analysis as part of its required reporting to maintain a worldwide agricultural information system and support a level playing field for U.S. agriculture.

Production: Post maintains its forecasts for slightly larger chicken meat production in 2025 but revises downward the growth rate from the new 2024 estimate. Post forecasts stable yellow broiler production in 2025. The slower growth rate is mainly attributed to slower expansion of white broiler production.

Consumption: Post maintains minor growth in its chicken meat consumption forecast for 2025 due to a shift towards healthier animal proteins. The growth in consumption will mainly come from greater demand for white broiler chicken meat.

Trade: Post forecasts that chicken meat imports in 2025 will remain lower than in 2024 due to increased domestic production, sluggish consumption growth, animal disease controls on supplying countries, and the depreciation of the Chinese currency (*yuan* or *Renminbi*) with respect to the U.S. dollar at the end of 2024 and through the first several weeks of 2025.

PRODUCTION

Table 1. China: Production, Supply, and Distribution for Chicken Meat

Meat, Chicken	**2023**		**2024**		**2025**	
Market Year Begins	**Jan 2023**		**Jan 2024**		**Jan 2025**	
China	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	14800	14800	15000	15350	15300	15500
Total Imports (1000 MT)	756	756	510	477	495	380
Total Supply (1000 MT)	15556	15556	15510	15827	15795	15880
Total Exports (1000 MT)	554	554	680	770	680	780
Human Consumption (1000 MT)	15002	15002	14830	15057	15115	15100
Other Use, Losses (1000 MT)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT)	15002	15002	14830	15057	15115	15100
Total Use (1000 MT)	15556	15556	15510	15827	15795	15880
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	15556	15556	15510	15827	15795	15880
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

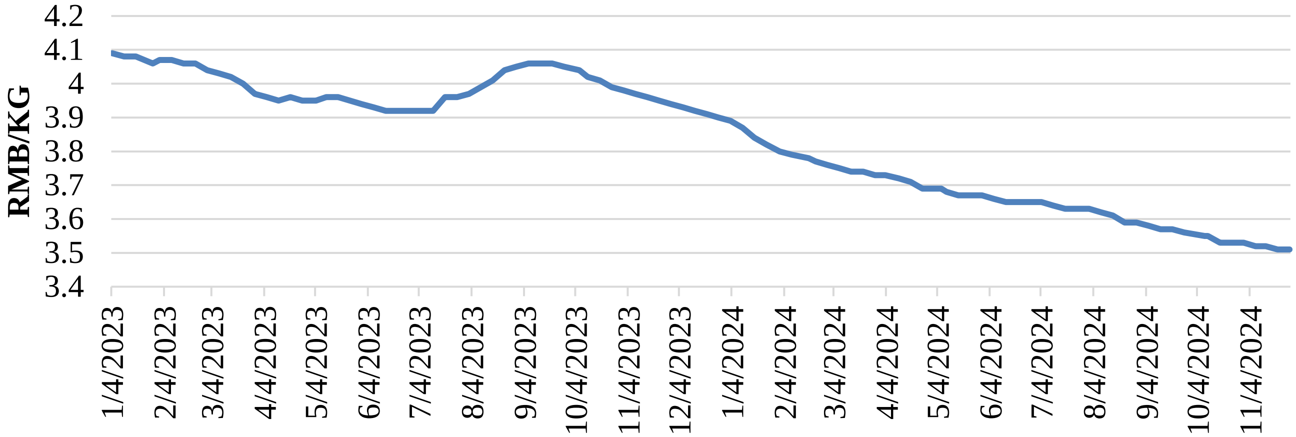
Note: Chicken paws (HS 0207.14.22) are excluded from PSD calculations and trade numbers.
Note: Not official USDA data.

White Broiler Chicken Production Growth Slows

Post maintains its forecast for slight growth in chicken meat production in 2025 but at a smaller growth rate from the revised estimate for 2024. The forecast for yellow broiler production in 2025 remains stable, but the expansion of white broiler production has slowed. Producers are responding to demand for chicken meat, particularly for white broilers, by increasing production.

Post revised upwards its chicken meat production estimate for 2024 as sources indicate that both large- and small-scale producers increased white broiler production in 2024. Large-scale producers, often integrated producers, expanded production at higher rates than smaller producers. Due to increased sales, economies of scale, market share, and decreased feed costs (see **Chart 1**), some publicly listed producers reported strong performances in their 2024 annual reports and plan to continue expanding production in 2025 to gain market share.

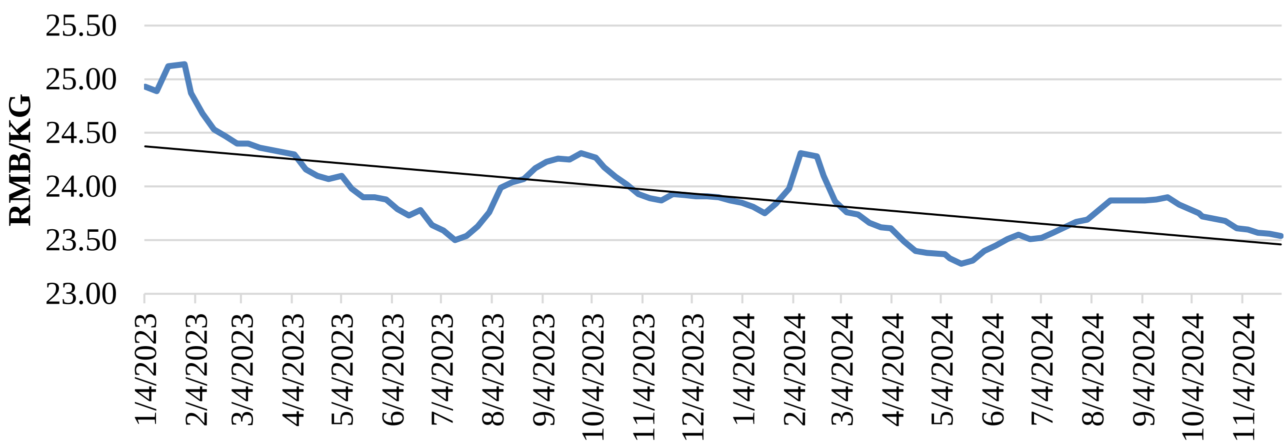
Chart 1. China: Broiler Feed Prices



Source: MARA

Chicken meat prices in 2024 declined as production outpaced consumption (see **Chart 2**). Some smaller producers with lower production efficiencies operated at a loss. Lower profits and business losses in 2024 appear to be discouraging these producers from expanding production in 2025. Most facilities scheduled to become operational in 2025 are broiler slaughter and chicken processing facilities. The number of new breeding facilities is small.

Chart 2. China: National Average Chicken Meat Price[1]



Source: MARA

[1] The chicken price here refers to the average chicken price collected by MARA from monitored traditional markets across China.

Domestic Genetics in Chicken Meat Production

Industry sources indicate that the population of both parent stock and grandparent stock[2] in 2024 is higher than in 2023. Post expects the higher population of grandparent stock in 2024 will enable higher production of white broiler chicken meat in 2025. However, the lower production efficiency of domestically produced genetics could curb higher growth of chicken meat production.

China's production of commercial white broiler chicken is heavily depended on imported genetics. Due to restrictions on imported genetics, white broiler producers increased the use of domestically produced genetics. According to industry sources, the market share of domestically produced genetics has increased and now occupies more than 30 percent of the genetics market share in 2024. Although domestically produced genetics have a lower per unit price compared to imported genetics, the production efficiency of domestically produced genetics is usually lower. Sources indicate that in 2024, despite increased population of parent generation broilers, growth of commercial generation broiler production remained limited, resulting in high chick prices. Post believes lower production efficiency of domestically produced genetics could also contribute to higher prices of commercial chicks.

Central and local governments in the People's Republic of China (PRC) are encouraging, through subsidies and other means, white broiler producers to use domestically produced genetics. For example, Liaoning Province and Shandong Province announced subsidies for breeding farms that used domestically developed white feather broiler breeds in 2024. According to media reports, a major domestic company that developed a domestically produced genetic line has over 20 percent of the entire genetics market share in 2024 and plans to take 40 percent of the market share by the end of 2025.

Yellow Broiler Meat Production to Remain Stable as Slaughter Weights Increase

Post maintains its forecast for a stable yellow broiler meat production in 2025. Although the slaughter volume of yellow broilers may decline, industry contacts indicate producers have increased slaughter weights in recent years to boost profits.

Yellow Broiler Population to Continue to Decline

The population of yellow broilers has continued to decline over the last five years. Industry sources indicate that the population of white broilers and yellow broilers used to be even; however, the population of white broilers has seen continued growth, accounting for over 60 percent of the total broiler population in 2023, while the population of yellow broilers declined to around 25 percent.[3] Industry sources report this industry trend continued through 2024.

Several factors have contributed to the decline in yellow broiler market share. The closure of live poultry markets,[4] which are the major marketing channel for yellow broiler sales, has had a large impact. In addition, limited land for raising yellow broilers has also contributed to the decline as yellow broilers

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[2] Grandparent stock refers to primary breeding birds whose offspring (parent stock) are the final generation of breeding birds. The offspring of the parent stock become the production birds used to produce chicken meat and other poultry products.
[3] China's chicken production mainly comes from white broilers and yellow broilers. The remaining "other" category includes the relatively small volume of chicken production that comes from hybrid broilers and ex-layers.
[4] The government has gradually shut down live poultry markets in recent years.

are generally raised in outdoor spaces for optimal quality and organoleptic characteristics preferred by consumers in Southern China (Guangdong and Guangxi regions).

Yellow broilers also take the longest time to reach slaughter weight among all broiler breeds in China. There are mainly three types of yellow broilers based on growing speed: low-speed broilers that take over 100 days to reach slaughter weight; medium-speed broilers that take 60-100 days; and high-speed broilers that take 40-60 days. Producers raising medium- and low-speed broilers are trying to shorten the raising period to reduce costs and improve profitability. However, reducing the days affects the meat's taste and may ultimately reduce consumer demand. Sources also indicate that the production of high-speed broilers is decreasing, being replaced by hybrid broilers.

Large and Small Yellow Chicken Meat Producers

Large-scale producers of yellow chicken meat generally maintained stable production in 2024 due to their higher production efficiencies and lower costs compared to smaller producers. Some large producers even reported higher profits in 2024 than in 2023. Sources indicate that some large producers plan to expand production in northern China, a non-traditional production region for yellow broilers, due to limited land in southern China and underdeveloped demand in northern China. The larger population of parent generation broilers in 2024 will provide sufficient production capacity for the commercial production of yellow chicken in 2025. Smaller producers, lacking the advantages of large-scale producers, will continue to reduce production or exit the market. The reduced production from smaller producers is the main reason for the decline in yellow broiler production in 2024.

CONSUMPTION

Higher Consumption of White Broilers

Post maintains its chicken consumption forecast for 2025. Chicken consumption will grow marginally due to a shift in consumer purchasing habits and increased focus on health trends. Some industry experts believe the average annual growth rate of chicken consumption could reach 2.5 percent over the next 10 years. Post believes the growth will mainly come from white broilers. Food service providers supplying the hotel, restaurant, and institution (HRI) sector have informed post that white chicken meat is a cost-effective alternative to higher-priced animal protein such as pork.

The younger generation is the main consumer of white broiler meat and has gradually become the main driver for overall white broiler meat consumption. Chicken burgers and fried chicken, the most popular broiler meat products among young consumers, are often made from white chicken. White broiler meat is mainly sold in frozen cuts, with chicken legs and chicken wings being the most popular. Compared to frozen cuts, processed/pre-cooked broiler meat takes a much smaller market share but is developing rapidly. Chicken breast meat is gaining popularity with the introduction of special, protein-rich diets for fitness-minded consumers.

Consumers have ready access to white broiler meat through both Western and Chinese restaurants chains, cafeterias in schools and manufacturing plants, as well as online shopping platforms. White broiler meat prices at these venues are often affordable and seem to be the least impacted by the economic headwinds facing the PRC economy.

Yellow Chicken Consumption to Remain Stable

Yellow broiler meat remains common at middle- and high-end restaurants, fast food restaurants, supermarkets, and online shops. Consumers in Southern China continue to be the largest consumers of yellow broiler meat. Middle- and high-end restaurants are the main users of yellow broiler meat, but sources indicate that more menu items have been developed to include yellow broiler meat in fast food restaurants as well. High-speed broiler is the most consumed yellow broiler. However, consumers consider it to have less flavor than medium- and low-speed broilers. Demand for low-speed broiler meat is growing, while consumption of high-speed broiler meat is decreasing.

More than half of the yellow broiler production is sold in wet markets and supermarkets, with the remaining sold in online markets. Yellow broiler meat consumption will continue to decline from the closure of live poultry markets. Producers are prohibited from selling live poultry in wet markets in most big cities. Consumers only have access to live poultry in some wet markets in suburban areas and smaller cities/rural areas. Almost all yellow broilers were sold live in the past. However, there is an increasing volume of yellow broiler meat sold in supermarkets and through online shops which is partially offsetting reductions from live poultry markets.

White broiler and hybrid broiler are taking some market share from high-speed yellow broiler. White broiler meat is cheaper, while hybrid broiler is smaller and more tender. Hybrid broiler is normally sold as a whole broiler and is more suitable for China’s smaller urban nuclear families with one child than the larger-sized whole yellow broiler.

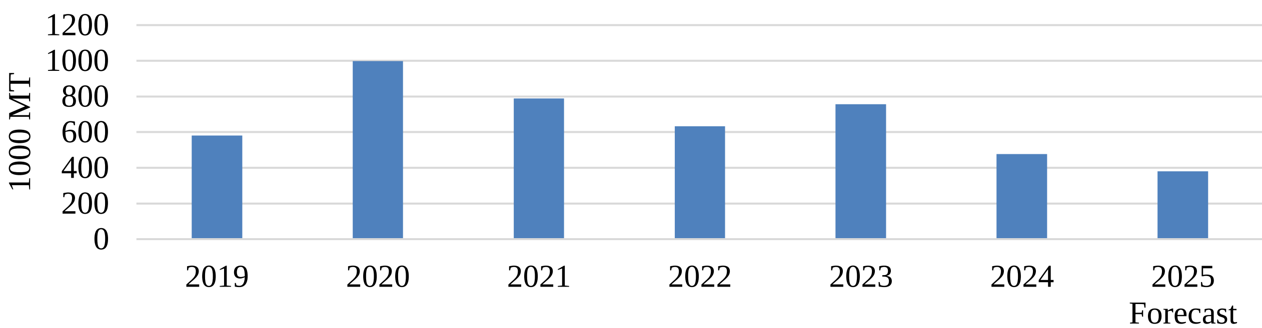
TRADE

Imports

Declining Chicken Meat Imports due to Higher Domestic Production

Post forecasts 2025 chicken imports will be lower than 2024 (see **Chart 3**). In addition to increased domestic production and sluggish demand, animal disease controls on supplying countries and the ongoing depreciation of the Chinese yuan will curb imports.

Chart 3. China: Imports[5] of Chicken Products



Source: USDA Official Data and Post Estimate and Forecast

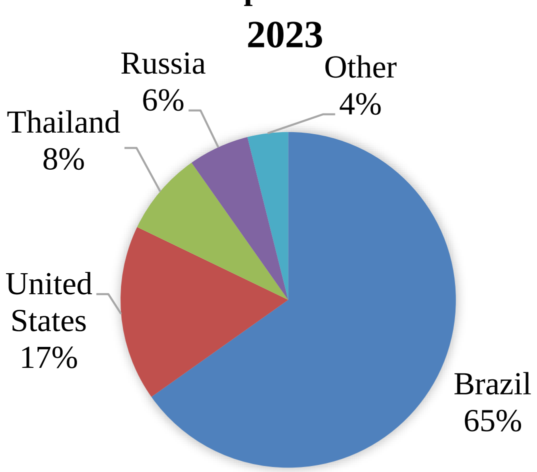
[5] In this report, unless otherwise specified, chicken imports and exports refer to the following HS codes: 020711, 020712, 020713, 020714, and 160232.

Imports Could Decline from Both Brazil and the United States

Brazil remains China's top chicken product supplier (see **Chart 4**). Chicken imports from Brazil, however, declined significantly in 2024, from 500,000 MT in 2023 to 367,000 MT. The Brazilian government suspended poultry exports following a Newcastle disease detection in early July 2024. The Brazilian government lifted its self-imposed export suspension on July 26, 2024, and informed the World Organization for Animal Health that the disease outbreak had been contained to the state of Rio Grande do Sul. On August 2, 2024, MARA announced the suspension of poultry and poultry related product imports directly or indirectly from the state of Rio Grande do Sul. If the restriction on Rio Grande do Sul remains in place in 2025, the reduced number of plants eligible to export to China from Brazil, combined with increased domestic production in China, could cause imports from Brazil to further decline. Despite smaller imports from Brazil, Brazil's market share of imported chicken products increased from 65 percent to 70 percent.

The United States was China's second-largest chicken product supplier (see **Chart 4**). However, chicken imports from the United States declined significantly in 2024. Thailand's market share increased in 2024 and is now tied with the United States as the second largest chicken product supplier to China.

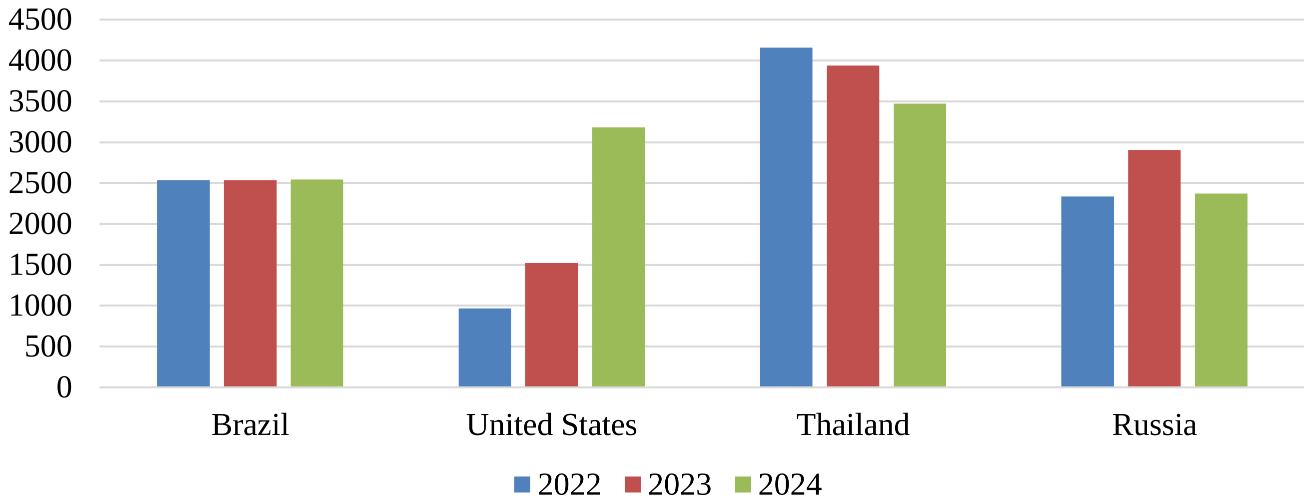
Chart 4. China: Imports of Chicken Products by Origin (2023 Vs. 2024)



Source: Trade Data Monitor, LLC

HPAI-related restrictions and higher prices are the main reasons for the decline in imports from the United States. As of January 2025, the PRC's HPAI-related restrictions remain in place on U.S. poultry meat, poultry meat products, and live poultry for dozens of U.S. states. The PRC prohibits raw poultry imports from facilities in areas situated in or derived from birds processed or slaughtered in areas where there has been a positive detection of HPAI. The General Administration of Customs of China (GACC), however, has not followed previously signed HPAI protocol that would release HPAI restrictions on states after 90 days resulting in numerous states remaining under indefinite restrictions. Prices of imports from the United States also grew significantly in 2024 compared to 2023 (see **Chart 5**). Imports from the United States will remain limited if HPAI-related restrictions remain in place for the rest of 2025.

Chart 5. China: Imported Chicken Price from Major Origins



Source: Trade Data Monitor, LLC

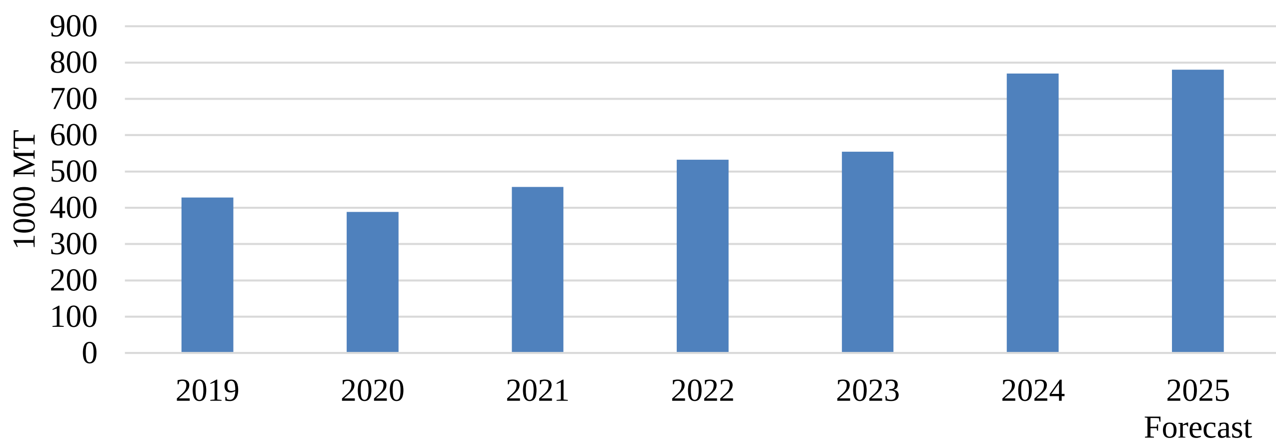
Heat-treated poultry from U.S. facilities in areas with positive HPAI detections is permitted under the current protocol. However, GACC has not approved the registration of new facilities registered to export heat-treated poultry from these states. Poultry meat and poultry product exporters should verify the status of eligible and ineligible products at the USDA FSIS Export Library before shipping to China.

Exports

Chinese Chicken Producers Seeking Export Opportunities

Post's forecast on chicken exports in 2025 remains higher than that of 2024 (see **Chart 6**). As Post forecasts domestic chicken production to grow while domestic demand remains flat in 2025, there will be a greater supply of exportable chicken products. Sources indicate Chinese chicken producers are exploring options to expand their international sales.

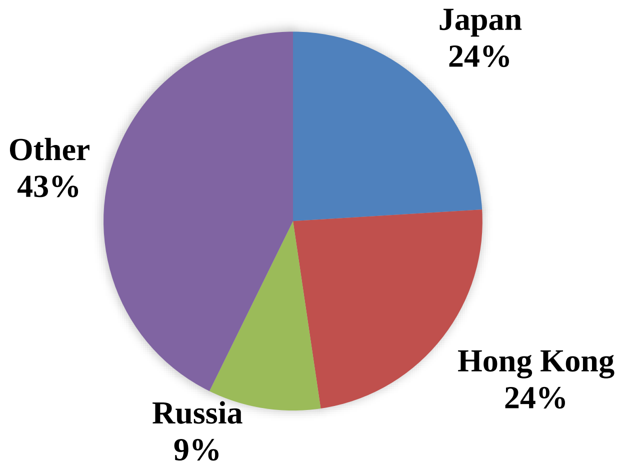
Chart 6. China: Exports of Chicken Products



Source: USDA Official Data and Post Estimate and Forecast

Japan remains China’s top chicken meat export destination (see **Chart 7**). China mainly exports processed chicken products to Japan. Although Japan is a mature market for chicken consumption, there is a continued demand for China’s competitively priced chicken. Export volume to Japan grew by a seven percent in 2024.

Chart 7. China: Exports of Chicken Products by Destinations in 2024



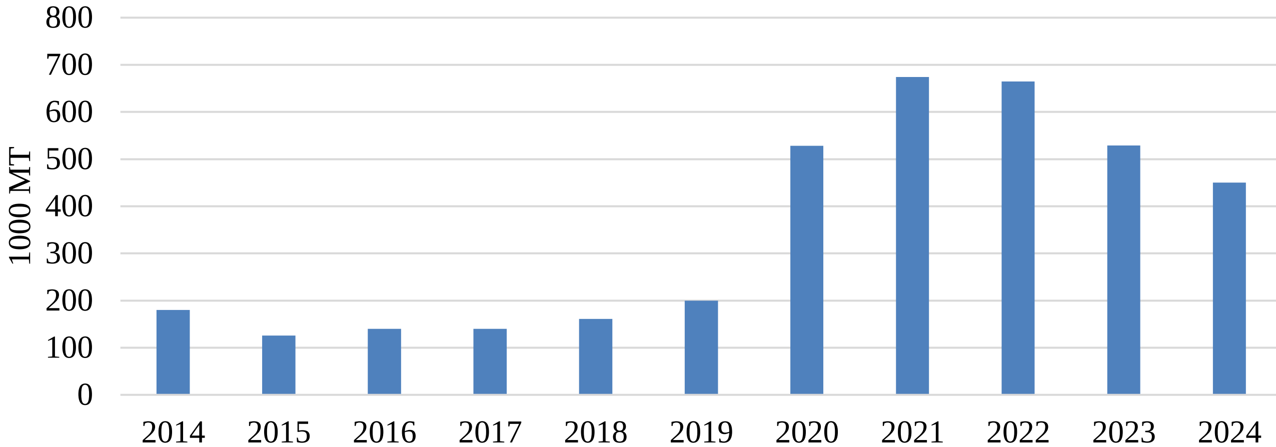
Source: Trade Data Monitor, LLC

Hong Kong is China’s second-largest chicken meat export destination (see **Chart 7**). China exports fresh, frozen, and processed chicken products to Hong Kong. Frozen chicken cuts, which are lower in price than fresh and processed chicken, witnessed strong growth in 2024. Post forecasts chicken exports to Hong Kong to grow, driven by frozen chicken cuts, in 2025.

CHICKEN PAWS

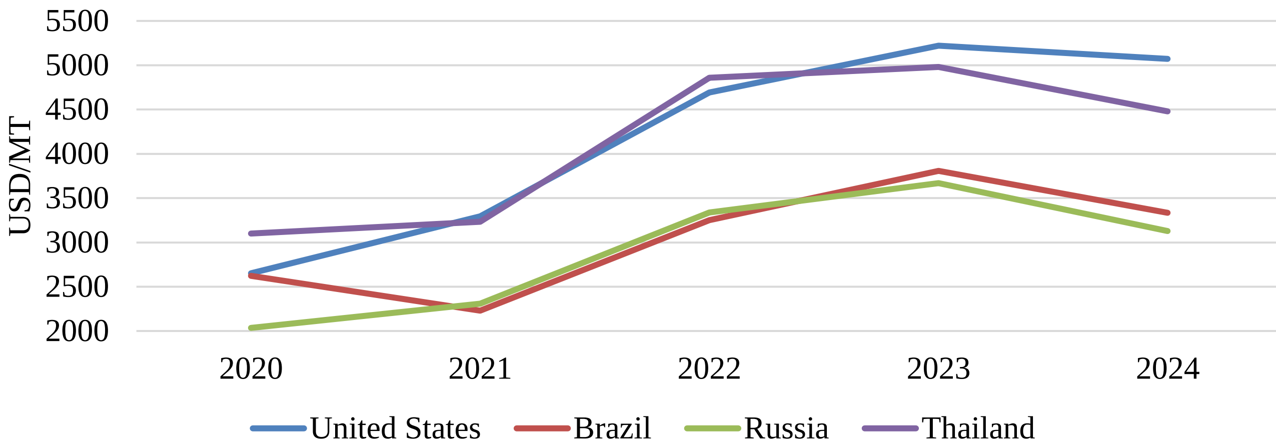
Post forecasts 2025 frozen chicken paw imports to remain low (see **Chart 8**). FAS China forecasts chicken paw demand will remain stable in 2025, but the larger domestic supply is expected to reduce import demand. U.S. jumbo-sized paws are popular among both restaurateurs and food processors as no other supplying countries can provide chicken paws with equally high quality and size. However, frozen chicken paw imports from the United States declined not only in quantity but also in market share. The PRC’s HPAI-related restrictions continue to limit new U.S. facilities from being allowed to export to China and restrict potential growth of U.S. chicken paw exports. In addition, prices of frozen U.S. chicken paws remained high in 2024 (see **Chart 9**). Many Chinese importers indicate difficulties in sourcing sufficient frozen U.S. chicken paws. Brazil and Russia exports of frozen chicken paws gained market share in 2024 (see **Chart 10**).

Chart 8. China: Frozen Chicken Paw Imports



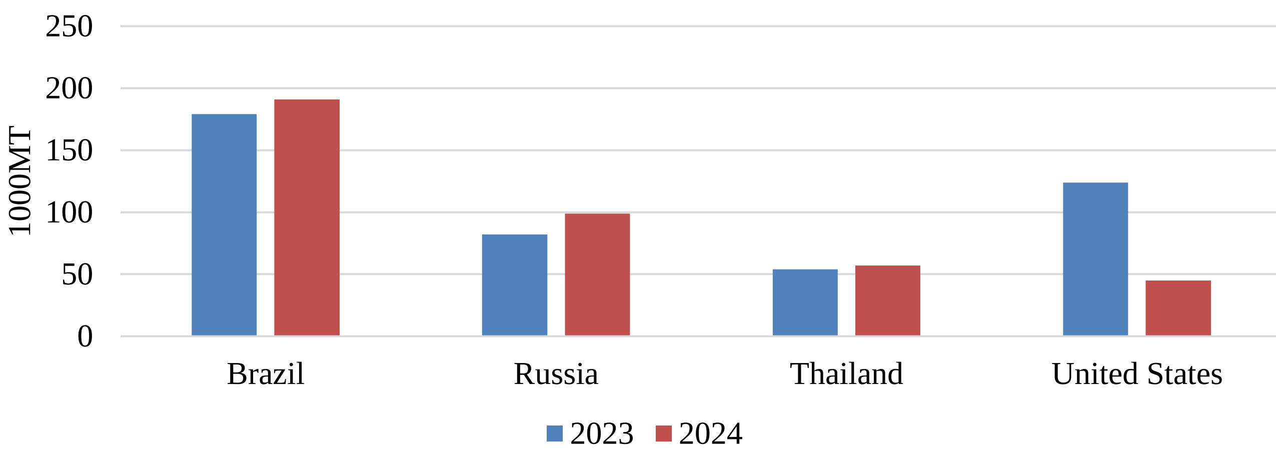
Source: Trade Data Monitor, LLC

Chart 9. China: Prices of Imported Frozen Chicken Paws of Major Origins



Source: Trade Data Monitor, LLC

Chart 10. China: Frozen Chicken Paw Imports by Major Origins



Source: Trade Data Monitor, LLC

Heat-treated poultry from U.S. facilities in areas with positive HPAI detections is permitted; however, new registrations of facilities in states with HPAI restrictions has not happened in accordance with the current protocol. Imports of heat-treated chicken paws[6] from the United States have been growing as an alternative to frozen chicken paws. However, sources indicate that after heat-processing, chicken paws may not meet the quality and appearance requirements of many restaurants.

POLICY

Retaliatory Tariffs on U.S. Chicken Products

The PRC imposes tariffs on a broad range of agricultural and non-agricultural goods in retaliation for U.S. Section 232 and U.S. Section 301 tariff actions. U.S. chicken products, amongst other U.S. agricultural goods, face PRC retaliatory Section 301 tariffs (see **Table 2**). Chicken products do not face retaliatory Section 232 tariffs. On February 18, 2020, the State Council Tariff Commission (SCTC) announced a tariff exclusion process for U.S. agricultural commodities impacted by the retaliatory Section 301-tariffs levied by the PRC. Importers may apply for tariff exclusions, which are approved on a case-by-case basis. These exclusions do not automatically extend to all importers. Many chicken meat importers have applied and received tariff exclusions. Please refer to FAS GAIN report Updated Guidance on China's Retaliatory Tariffs and Tariff Exclusions Process for US Products for more information on the exclusion process.

[6] Heat treated chicken paws are under HS Code:16023299

Table 2. China: Tariff Schedule for U.S. Chicken Meat and Chicken Paws

HS Code (8-digit)	Product Description	MFN Rate	301	Add'l tariff (adjusted on Feb. 14, 2020)	Total Applied Tariff
	Implementation Date	**Jan 1, 2019**	**Jun 1, 2019**	**Feb. 14, 2020**	**Jan 1, 2025**
02071100	Chickens, not cut in pieces, fresh or chilled	20%	25%	5%	50%
02071200	Frozen Whole Chickens	20%	25%	5%	50%
02071311	Fresh Or Chilled Cuts of Chicken, With Bone	20%	25%	5%	50%
02071319	Fresh or chilled cuts of chicken, other	20%	25%	5%	50%
02071321	Fresh or chilled wing of chicken (excluding wingtips	20%	25%	5%	50%
02071329	Fresh or chilled offal of chicken, other	20%	25%	5%	50%
02071411	Frozen Chicken Cuts, With Bone	￥0.6/kg	25%	5%	30% + MFN
02071419	Frozen Chicken Cuts, Nes	10%	25%	5%	40%
02071421	Frozen Mid joint Wing of Chicken	￥0.8/kg	25%	5%	30% + MFN
02071422	Frozen Chicken Paw	￥1.0/kg	25%	5%	30% + MFN
02071429	Frozen Offal of Chicken, Nes	￥0.5/kg	25%	5%	30% + MFN
16023210	Preparations of Chicken, In Airtight Containers	5%		2.5%	7.5%
16023291	Other Prepared Chicken Breast Filets	5%	10%		15%
16023292	Other Prepared Meat of Chicken Legs	5%		2.5%	7.5%
16023299	Other Prepared Chicken, Chicken Offal or Blood	5%		2.5%	7.5%

Source: Customs Import and Export Tariff of China

Attachments:

No Attachments